UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1019
13 February 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

CAYMAN ISLANDS

Working Paper prepared by the Secretariat

CONTENTS

		Paragraphs	Page
I.	GENERAL	1 - 3	3
II.	CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	4 - 19	3
	A. Constitution	4 - 5	3
	B. Political parties and elections	6 - 8	4
	C. Administration	9 - 10	4
	D. External relations	11 - 14	5
	E. Public service	15 - 19	5
III.	ECONOMIC CONDITIONS	20 - 86	6
	A. General	20 - 23	6
	B. Public finance	24 - 39	7
	C. Land tenure, agriculture, livestock and fisheries	40 - 50	10
	D. Tourism	51 - 53	12

CONTENTS (continued)

		Paragraphs	Page
E.	Financial sector	54 - 59	12
F.	Transport and communications	60 - 77	13
G.	Construction	78	17
H.	Utilities	79 - 81	17
I.	Broadcasting and press	82 - 85	18
J.	Assistance from the United Nations system of organizations	86	18
IV.	SOCIAL CONDITIONS	87 - 104	19
A.	Labour	87 - 89	19
B.	Public health	90 - 95	19
C.	Educational conditions	96 - 100	21
D.	Crime and crime prevention	101 - 104	22

I. GENERAL 1/

1. The Territory of the Cayman Islands consists of three islands: Grand Cayman, Cayman Brac and Little Cayman. The latter two islands are also known as the Lesser Caymans. The Territory has a total area of approximately 260 square kilometres, divided as follows: Grand Cayman, about 195 square kilometres; Cayman Brac, 39 square kilometres; and Little Cayman, 26 square kilometres. George Town, the capital of the Territory, is located on Grand Cayman.

2. According to the latest estimates released by the territorial Government, 2/ as of the end of 1988, the population of the Cayman Islands was 25,900. About 20 per cent of the population is of African descent, while 26 per cent is made up of recent arrivals from the United Kingdom of Great Britain and Northern Ireland, the United States of America and Canada. About 80 per cent of the population lives on Grand Cayman; 1,600 people reside on Cayman Brac, and about 75 on Little Cayman. Other major indicators of the vital statistics for 1988 were as follows: rate of growth of population, 8.7 per cent; birth rate, 15.3 per thousand; death rate, 4.4 per thousand; and rate of natural increase of population, 10.8 per thousand. The net migration rate in 1988 was 72.6 per thousand, the highest ever recorded, and was attributed to an increase in the arrivals of non-Caymanians, mainly work-permit holders. That immigration trend resulted in reducing the proportion of Caymanians in the total population to 63 per cent in 1988, compared with 72 per cent in 1986. English is the only language used in the Territory.

3. Hurricanes, which frequently occur in the Caribbean region, constitute major threats to the Territory. On 12 September 1988, the eye of Hurricane Gilbert passed about 48 kilometres south of Grand Cayman. One gust, recorded at West Bay at over 150 miles per hour (241 kilometres) caused flooding and widespread damage to trees and buildings. According to official estimates, Hurricane Gilbert inflicted $CI 16.5 million 3/ in property damage.

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

4. An outline of the constitutional arrangements set out in the Cayman Islands (Constitution) Order, 1972, appears in the report of the Special Committee to the General Assembly at its twenty-eighth session. 4/ In brief, the Constitution provides for a Legislative Assembly consisting of the Governor (appointed by the Queen) who acts as President, 3 official members and 12 elected members. It also provides for an Executive Council consisting of the Governor as President, 3 official members and 4 members drawn from the elected members in the Legislature. The 3 official members of both bodies are the Financial Secretary, the Attorney-General and the Administrative Secretary. Matters relating to the civil service, defence, external affairs and security are the responsibility of the Governor. The juridical system is based on English common law. There are two courts, the Summary Court (Lower Court) and the Grand Court, which has powers similar to a High Court in the United Kingdom. The Cayman Islands Court of Appeal consists of jurists from Jamaica and the Bahamas. 5/

5. Mr. Alan James Scott, former Deputy Secretary of Hong Kong, was sworn into office as the fifth Governor of the Cayman Islands in June 1987. 6/

B. Political parties and elections

6. There are no officially recognized political parties in the Cayman Islands, although candidates for election form teams during election campaigns. General elections for the 12 elected seats in the Legislative Assembly are held every four years. The last elections were held on 14 November 1988.

7. Early in 1988, a constitutional amendment resulting from a request voted by the Legislative Assembly in 1987 came into force. Aimed at retaining Caymanian control of the legislative processes, the amendment narrowed slightly the qualifications for voting and candidature for the Assembly. On 14 November 1988, general elections took place with 24 candidates contesting the 12 seats in the Assembly. Just over 80 per cent of the registered electors went to the polls. Mr. Vassel Johnson and Captain Charles Kirkconnell, former members of both the Assembly and Executive Council did not seek re-election; Mr. Haig Bodden (Bodden Town) and Mrs. Daphne Orrett (West Bay), two other former members of the Assembly, were defeated. As a result, four new members were elected to the Assembly; one former member returned after a four-year interval.

8. The 12 elected members of the Legislative Assembly represent the six districts of the Islands; three each from George Town and West Bay, two each from Bodden Town and the Lesser Islands (Cayman Brac and Little Cayman), and one each from North Side and East End.

C. Administration

9. Routine government operations are administered under seven portfolios, three of which are headed by the official members of the Executive Council and four by the elected members. The portfolios of the official members are: Finance and Development, headed by the Financial Secretary; Legal Administration, headed by the Attorney General; and Internal and External Affairs, headed by the Administrative Secretary.

10. As a result of a reassignment of responsibilities by the Governor, following the November 1988 general elections, the portfolios of the elected members have the following titles: Education, Recreation and Culture; Tourism, Aviation and Trade; Health and Social Services; and Communications, Works and Natural Resources. The elected members have responsibility for these portfolios, with the Principal Secretaries implementing the policies and overseeing the administration of the departments within their portfolios.

READEX FICHE

D. External relations

11. The Government of the Cayman Islands co-operates directly with other Caribbean Governments and participates in regional conferences and projects for the Caribbean region established by Governments, international organizations and agencies. The Territory is a member of the Caribbean Development Bank (CDB).

12. The United Kingdom has notified the International Maritime Organization (IMO) that four international conventions on the safety of shipping would apply to the Cayman Islands with effect from 23 June 1988. The four conventions are: the International Convention for the Safety of Life at Sea, 1974, and its 1978 Protocol; the International Convention for the Prevention of Pollution from Ships, 1973, and its 1978 Protocol; the International Convention on Tonnage Measurement of Ships, 1969; and the International Convention on Load Lines, 1966. On 28 March 1988, the Legislative Assembly announced the creation of the post of Chief Marine Surveyor. The Chief Marine Surveyor would operate separately from the Register of Shipping and would report directly to the Assembly.

13. The Narcotics Agreement between the Cayman Islands, the United States and the United Kingdom, which had been in effect since 1984, was extended until 25 November 1988. Since 1984, the Territory had complied with 57 requests from the United States Government for the lifting of the Territory's confidentiality regulations under the Narcotics Agreement.

14. In November 1989, the Government of the Cayman Islands, together with those of 18 other countries of the region, signed at Miami, Florida, United States, a Caribbean customs agreement entitled "The Memorandum of Understanding regarding Mutual Assistance and Co-operation for the Prevention and Repression of Customs Offences in the Caribbean Zone", referred to as MOU. MOU is aimed at preventing problems arising from the smuggling of funds, money laundering and false invoicing, as well as detecting various kinds of white collar fraud and interdiction of illegal drugs. A conference on the implementation of MOU, with the participation of all parties to the agreement, is scheduled to be held in the Cayman Islands in 1990. 7/

E. Public service

15. According to the administering Power, as of 1989, the public service of the Cayman Islands comprised 1,784 established posts, compared with 1,692 in 1988. As of December 1989, Caymanians comprised 67.2 per cent of those in the public service; out of 37 heads of departments, 21 were Caymanians. 8/

16. All matters related to appointments, transfers, promotions, training, dismissals, retirement and disciplinary control of public officers are supervised by the Public Service Commission, which advises the Governor on those questions.

17. In October 1988, the territorial Director of Training, in association with consultants from the United Nations Development Programme (UNDP), organized a seminar on modern management, aimed at providing public servants with adequate

training. Over 40 of the senior management personnel attended the seminar, which was intended to be the first step in a long-term management training programme. As a result of the seminar, an executive management advisory board was formed in order to determine the scope and guide the direction of future training programmes.

18. As a result of a salary review undertaken in late 1987, civil servants were granted salary increases ranging from 8 to 15 per cent, at the beginning of 1988.

19. According to press reports, 8/ on 24 May 1989, the Legislative Assembly agreed to waive the mandatory retirement age of 65 for civil servants so that "those physically and mentally capable of continuing [to work] could do so, especially if they did not retard the progress of younger officers".

III. ECONOMIC CONDITIONS

A. General

20. The major economic sectors of the Cayman Islands are the financial industry, tourism, construction, the real estate business and local industry. Tourism and international finance contribute significantly to the development of the Territory by providing substantial amounts of capital and foreign exchange. They constitute a major growth factor for other sectors of the economy, such as construction, real estate development, local services and the offshore insurance business.

21. Since the mid-1960s, the development of agriculture has lagged behind the rapidly growing sectors of tourism, international finance and construction; consequently, there is a substantial dependence on food imports. There is a small manufacturing sector, which the Government, in its efforts to diversify the economy, has tried to expand in recent years.

22. According to the Territory's Government Statistics Office, the revised 1987 gross domestic product (GDP) of the Cayman Islands was $CI 329 million, or $CI 14,500 per capita. In calculating the GDP, the recommendations of a United Nations adviser on national accounts was taken into account. A similar revision of the 1988 GDP is currently being undertaken. 9/ According to the administering Power, the 1988 estimated per capita value of GDP was $US 17,400. The rate of the economic growth calculated in real terms was 12 per cent in 1987, compared with 10 per cent in 1986. 9/ The rate of inflation during 1988 was recorded at 5.7 per cent, which was slightly lower than the five-year high of 6.2 per cent recorded in 1987. 10/

23. According to press reports, the territorial Government agreed in May 1987 to the conducting of a new confidential survey of national income to be undertaken by the Government Statistician, in co-operation with a United Nations Adviser on National Accounts. All companies employing 10 or more persons will be included in the new survey. The Financial Secretary urged all companies to co-operate with the Statistics Office in the national income survey exercise, pointing out that in the last survey, only one out of every three companies completed the questionnaire distributed by the Government. 11/

B. Public finance

24. The financial year of the Cayman Islands begins on 1 April and ends on 31 March. Each year, the Financial Secretary delivers to the Legislative Assembly a statement of expenditure and revenue.

25. According to the administering Power, the main items of revenue and expenditure for 1987/89 were as follows:

Revenue and expenditure, 1987-1989
(In Cayman Islands dollars)

A. Revenue

	1987 (Audited)	1988 (Unaudited)	1989 (Estimated)
Duty	27 689 538	34 215 000	36 000 000
Tax	4 729 987	4 944 200	6 776 000
Licences	8 334 930	8 586 130	8 763 344
Sales	11 115 296	15 457 960	18 340 000
Fees	12 734 804	14 135 739	14 917 900
Fines	624 423	575 000	600 000
Services	696 216	763 710	1 123 000
Rental/leases	1 726 490	1 433 300	1 296 000
Loans interest	6 592 898	8 143 119	5 593 098
Miscellaneous	1 110 052	1 066 885	813 468
Contributions	1 993 310	2 018 356	2 819 126
Total	77 347 944	91 339 399	97 041 936

B. Recurrent expenditure (by portfolio)

Governor	644 184	679 813	724 524
Internal and External Affairs	13 174 589	16 088 240	17 934 377
Finance and Development	11 304 397	12 073 568	12 922 083
Legal Administration	1 315 931	1 684 046	2 020 060
Health and Social Services	7 888 968	9 631 491	11 345 136
Communications, Works and Natural Resources	7 085 223	9 862 742	11 764 265
Tourism, Aviation and Trade	7 790 195	8 680 294	10 221 589
Education, Recreation and Culture	7 913 077	8 681 715	10 358 983
Total	57 116 564	67 381 909	77 291 017

C. Capital expenditure

	1987 (Audited)	1988 (Unaudited)	1989 (Estimated)
From recurrent revenue	6 500 163	6 761 026	15 103 927
From loan funds	5 335 603	6 837 919	4 507 098
Total	11 835 766	13 598 945	19 611 025

D. Statutory expenditure

From recurrent revenue	3 714 069	5 231 277	6 193 122

26. According to press reports, on 17 November 1989, the Financial Secretary introduced to the Legislative Assembly a budget for 1990, which provides for $CI 110.9 million in expenditures and which maintains the balanced budget policy without any new measures being introduced. 12/

27. Included in the 1990 budget are $CI 83.8 million in recurrent expenditure, $CI 18.3 million for capital projects and $CI 2.4 million for new services. Statutory provisions for loan repayment, pensions and gratuities amount to $CI 6.4 million. The expenditures do not include any provision for the civil service salary review. Also excluded is any expenditure by the Water Authority which became autonomous effective 1 January 1990. 12/

28. Recurrent expenditure covers the ordinary running of government departments and portfolios, including civil servants' salaries. The salaries account for over 50 per cent of this category of expenditure and amount to $CI 45.9 million, excluding new posts requested. Proposed expenditures for 1990 include $CI 9.3 million for the Department of Tourism and $CI 2.1 million for the Health and Social Services Department. Capital expenditure includes $CI 4.1 million for roads; $CI 490,300 for medical equipment; $CI 1.7 million for purchase of lands; and $CI 1.2 million for school buildings (other than Community College). 12/

29. Proposed new services and related expenses for 1990 include $CI 60,000 for a patrol boat and $CI 9,000 for a surveillance vehicle; $CI 24,900 for the new post of Insurance Analyst; $CI 28,728 for each of the new posts of Marine Surveyor and Chief Internal Auditor. The Police Department would receive $CI 357,480 for new salaries and allowances. The Immigration Department would get $CI 108,492 for the employment of additional staff for the Protection Board. An additional $CI 71,664 would be allocated to the Prison Department and $CI 151,944 to the Fire Department for the establishment of a domestic fire service in Cayman Brac. Also included is a provision for $CI 266,562 for salaries of new teachers and $CI 297,394 for the recruitment of new medical staff. 12/

30. Ordinary revenue for 1990 is estimated at $CI 98.2 million, which includes a $CI 4 million contribution from the Cayman Airways escrow account. 12/

31. Anticipated amounts of revenue from the usual various sources do not appear to be significantly different from the previous years. They include the following: motor vehicle tax, $CI 1.7 million; import duty, $CI 36.5 million; revenue stamps, $CI 14.5 million; revenue from hospital fees, $CI 2.6 million; work permit fees, $CI 3.2 million; interest on cash balances, $CI 1 million; Currency Board contribution, $CI 1.6 million; and Civil Aviation Authority assets repayment, $CI 1.7 million. The Government is borrowing $CI 1.4 million from the European Development Fund for the improvement of Community College, $CI 2 million for the construction of a new post office building and $CI 600,000 for the construction of a new hospital building. 12/

32. The budget is balanced by an accumulated surplus of $CI 9.2 million at the end of 1989. The surplus for 1990 is estimated at $CI 727,960. 12/

33. Although the 1990 budget represents a 7.6 per cent increase over the 1989 budget, it has basically the same purchasing power because of the 6.5 per cent rate of inflation during 1989. The Financial Secretary stated that according to his estimates, the rate of inflation would fall below 4 per cent in 1990 and would be equal to 3 per cent by 1992. 12/

34. Outlining the financial policy of the territorial Government, the Financial Secretary said that the 1990 budget took into account "the overheating of the economy, a fully committed construction sector, and a private sector activity that is operating very near its maximum capacity". He also expressed the view that it was a good economic policy for the Government to refrain from competing in the economic arena with the private sector for capital works when the economy was stimulated and was performing at capacity. 12/

35. At 31 December 1988, the public debt of the Cayman Islands amounted to $CI 24,844,226, as follows: British Exchequer, $CI 155,260; British loans, interest free, $CI 1,260,367; CDB, $CI 15,474,175; European Economic Community (EEC), $CI 320,388; and local commercial banks, $CI 7,634,036. In addition, self-financing loans guaranteed by the Government amounted to $CI 3,132,940.

36. At the end of 1988, the Government's reserves stood at $CI 11,173,808.

37. The Cayman Islands introduced its own currency in 1972. There are 100 cents to the Caymanian Islands dollar, the parity of which is controlled by section 10 of the Currency Law (Revised) and is fixed at $CI 1.00 = $US 1.20. Denominations of notes in circulation are $CI 100, $CI 50, $CI 40, $CI 25, $CI 10, $CI 5 and $CI 1. Coins are issued in denominations of 25c, 10c, 5c and 1c. The total assets of the Cayman Islands Currency Board at the end of 1988 were $CI 25.6 million. Currency in circulation during 1985-1988 totalled $CI 11,281,335, $CI 13,053,223, $CI 15,841,832 and $CI 18,557,835, respectively.

38. The Cayman Islands consumer price index continued to increase from an annual average of 105.4 in 1985 to 114.0 in 1988. According to press reports, 13/ much of the inflation reflected in that increase was attributed to the price of imported goods.

39. The Cayman Islands remains free of income tax, including personal income and corporate taxes, and excise duty.

C. Land tenure, agriculture, livestock and fisheries

40. All land in the Territory is divided into commercial, residential and light and heavy industrial zones.

41. As a result of a cadastral survey commenced in 1971, all land in the Cayman Islands is registered under a modified system called the Torrence system, the basic principle of which is that the land itself, rather than title deeds, is registered. This ensures that land dealings can take place efficiently and simply, although land certificates are often loosely described as "title deeds" to property. A stamp duty of 7.5 per cent is levied on the sale and exchange of land or other real estate. Stamp duties collected in 1988 amounted to $CI 12.2 million, representing a 33 per cent increase over the record set in 1987. The Land Registry is responsible for the registration of all land transactions; the collection of duty stamps on land transfers, mortgages and other legal documents; and for the maintenance of all land records and registry maps.

42. During 1988, the Land Registry processed 6,902 land transactions. The value of land transfers amounted to $CI 131.1 million in 1988, a 40 per cent increase over the 1987 figure. The number of mortgages in 1988 was 1,863, which brought the amount of the secured debt to $CI 90.7 million, a 37 per cent increase over the indicator for 1987. According to press reports, 14/ the land transfer statistics for the period January-September 1989 are as follows: number of land transfers, 1,047; value of land transfers, $CI 99.5 million; and stamp duty collected, $CI 9.5 million. It is expected that the land transfer indicators for 1989 will surpass the figures for 1988.

43. Despite continued government efforts to promote agriculture, the Territory is heavily dependent on imported food. According to CDB, the Cayman Islands has achieved self-sufficiency only in bananas and tomatoes. 15/ The most serious factors hindering agricultural development are the poor quality of the soil and the shortage of skilled agricultural labour. While the traditional pattern of subsistence farming remains, with many Caymanian families demonstrating their independence by cultivating their own plots and sometimes raising livestock, a few full-time farmers forge ahead with commercial operations which aim at meeting some of the food needs of residents and visitors.

44. In 1988, farmers in the Cayman Islands were extremely vocal about their desire to have agriculture contribute to the diversification of the economy, despite the odds they faced. They complained about the difficulty of obtaining agricultural credit and of the terms and conditions under which it was available. They were also critical of the use of the experimental and demonstration farms at Lower Valley and Smith Road. At the end of 1988, there were some 35 registered members of the Cayman Islands Farmers' Co-operative; just over 50 per cent were exclusively livestock farmers, 14 per cent were crop producers and 23 per cent were in mixed farming.

45. The estimates of crop production in 1988 were as follows: bananas, 141,400 kilograms; cassava, 10,200 kilograms; plantains, 16,300 kilograms; tomatoes, 2,700 kilograms; yams, 10,400 kilograms; mangoes, 2,300 kilograms; sweet potatoes, 2,700 kilograms; pumpkins, 13,200 kilograms; and citrus (limes, lemons, oranges and grapefruit), 63,500 kilograms.

46. The livestock population in 1988 was estimated at approximately 1,650 head of cattle, 250 pigs, 200 goats and 14,000 chickens (layers). The veterinary service responded to 155 field calls involving medicine and surgery, while the small animal clinic handled 209 medical and surgical cases.

47. Hurricane Gilbert, which struck the Territory on 12 September 1988 (see para. 3), significantly damaged the agricultural sector. Its total damage to agricultural production was estimated at $CI 2 million. Crops, especially bananas, mangoes and avocadoes, suffered the heaviest destruction. Livestock producers were less severely affected, with the exception of the Cayman Poultry Farm, whose buildings, equipment and stock suffered heavy damage, resulting in a significant deficit in the Territory's egg supplies. The Department of Agriculture surveyed the damage and recommended to the Government that financial assistance be provided to the farmers for the purpose of rehabilitating the industry. As a result, the Government advanced interest-free loans, with moratoriums on repayment in the case of a number of farmers who had sustained heavy losses. The Agricultural and Industrial Development Board was made responsible for the disbursement of the funds. The Department of Agriculture also provided larger quantities of agricultural supplies and planting material, and offered increased advisory services.

48. During 1988, the government-funded Farmers' Market opened, leased to the newly formed Cayman Islands Farmers' Co-operative. To support the initial operations, the Government provided a qualified agricultural marketing specialist as manager, a meat procurement officer, a cashier/clerk and a delivery/salesperson. The Government undertook to provide that support for two years, or until the co-operative was able to assume responsibility, whichever was shorter. From September to December 1988, when production was seriously damaged by Hurricane Gilbert, the market sold approximately 9,827 kilograms of fruit and vegetables. Meat slaughtered at the somewhat-upgraded facility at Newlands was processed at the market from October 1988 and various cuts of beef and pork, including salted meat, were sold. About 6,300 kilograms of beef and 900 kilograms of pork were sold, with an estimated value of $CI 31,382.

49. Plans for the design, construction and equipping of a central abattoir on Grand Cayman were completed in 1988; a decision on the plans' implementation was being awaited. The facility is expected to boost the fledgling beef industry by providing the best hygienic conditions for the preparation of beef. The cost is estimated at about $CI 750,000.

50. The animal control programme continued to be implemented with a total of 302 dogs and 57 cats taken into the Department of Agriculture's kennels and, in the absence of any claims, disposed of humanely. The incidence of dogs attacking livestock, residents and tourists has been reduced considerably. In its role of

controlling the movement of animals into and out of the Islands, the Department issued 377 import licences and 231 export permits during the year. These were mainly for cats, dogs, cagebirds and other domestic pets.

D. Tourism

51. Tourism continues to be a dominant sector of the economy and a major source of foreign exchange for the Territory. In 1988, there was continued growth in tourism, with visitors reaching 500,000.

52. In 1988, air arrivals increased by 4.6 per cent over the previous year, bringing in a total of 218,709 stay-over visitors, while 291 calls by cruise ships brought a total of 315,585 passengers, a 16 per cent increase over the 1987 indicator.

53. At the end of 1988, the number of hotel beds totalled 2,606. Apartments, cottages and guest houses available for rent rose to 5,158.

E. Financial sector

54. The banking and trust industry has expanded considerably since its inception in the Territory in the early 1960s and has transformed the Cayman Islands into one of the world's leading offshore financial centres.

55. In 1988, 40 licences were issued and 21 were cancelled; with a net increase of 19, licences issued reached a total of 527. Forty-four of the world's 50 largest international banks are now licensed in the Territory. Countries with a banking presence in the Cayman Islands total 59, with the largest share coming from the United States (29 per cent), followed by Switzerland (7.4 per cent) and Denmark (5.9 per cent). Total assets of licensed banks are estimated at $US 250 billion.

56. The overall contribution of the international banking sector to the economy of the Territory in 1988 consisted of $CI 5.5 million in direct payments to the Government in the form of licence fees and approximately $CI 55.2 million in the form of salaries, rents, capital expenditure and other normal business costs. Banks operating offshore contributed a further $CI 7.2 million.

57. Approximately 1,025 persons, of whom 76 per cent were Caymanians, were directly employed in the banking industry.

58. The ratification by the Cayman Islands, the United Kingdom and the United States of the Mutual Legal Assistance Treaty for the exchange of information on illegal financial activity and the ongoing revision of legislation to facilitate better banking supervision in the Territory proved to be instrumental in attracting additional financial establishments (for details of the Treaty, see A/AC.109/911, paras. 11-13). The Government is hoping that these institutional developments may eventually appeal to operations which may relocate from Hong Kong when the United Kingdom lease there expires in 1997. 16/

59. The insurance sector, supported by the high quality of legal, financial and administrative services, benefited from the unsettled state of the insurance market in the United States, which covers professional (including medical) malpractice. 16/ At the end of 1988, the insurance market comprised two locally owned and 23 international incorporated insurers. Some 64 agents and subagents and six insurance brokers were licensed to solicit business.

F. Transport and communications

60. Transport, communications and other basic facilities continued to be of paramount importance to the economy of the Territory in terms of uniting the three islands and servicing the tourist industry and other activities of the business community.

Air

61. In December 1988, new airport terminal facilities were opened at the Gerrard Smith International Airport located on Cayman Brac. The facilities consist of a new, air-conditioned terminal building capable of handling four Boeing 727-type aircraft movements per hour, new aircraft parking bays and taxiways, new entrance roads, a car parking area and a new fire station to serve the aerodrome and domestic operations.

62. During 1988, air passenger movements totalled 602,101, a 3 per cent increase over the 1987 figure. Aircraft movements, however, were 17,342, showing a 1 per cent decrease from the 1987 indicator. This was mainly attributed to a reduction in local, private training flights. The air traffic indicators for 1987 and 1988 were as follows:

Owen Roberts International Airport	1987	1988
Passengers handled	533 972	546 429
Cargo handled (pounds)	5 537 093	6 142 581
Aircraft movements	13 766	12 998
Mail (pounds)	463 304	526 851
Gerrard Smith International Airport		
Passengers handled	49 069	55 672
Cargo handled (pounds)	282 236	314 044
Aircraft movements	3 783	4 344
Mail (pounds)	19 839	24 117

63. Aviation safety and security continued to be the main concern of the Civil Aviation Authority which, during 1988, hosted a pilot safety seminar organized by the United States Federal Aviation Administration and sponsored by Cayman Airways Ltd. (CAL). Safety inspectors from various international agencies continued their

visits to local facilities to approve operational standards. An Expert Air Traffic Services Officer from the International Civil Aviation Organization (ICAO) visited the Territory in order to conduct a refresher training course, produce manuals and standardize procedures for air traffic control.

64. CAL, which is wholly owned by the Government, continued to provide regular services between Miami, Houston, Atlanta and Tampa in the United States, and Montego Bay and Kingston in Jamaica, as well as charter services for the winter tourist season. Its two Boeing 727-200 aircraft continued to service all scheduled flights and charter programmes. The short SD3-30 completed two years of inter-island service in 1988.

65. In 1988, CAL received an annual governmental subsidy of $US 1.3 million, which is equal to one half of the company's annual repayment on the lease of the two Boeing 727-200 aircraft. The 1987/88 Cayman Airways annual report showed a net operating profit of $US 735,092.

66. The main indicators of Cayman Airways Ltd. for the period 1985-1988 were as follows:

Operations of Cayman Airways, Ltd., 1985-1938 a/

(In United States dollars)

	1985	1986	1987	1988
Revenue	29 957 128	28 922 999	32 905 081	36 256 196
Operating expenses	29 495 818	28 104 186	32 045 324	35 521 104
Operating income (loss)	461 310	818 813	859 757	735 092
Net income (loss)	1 402 444	1 132 124	835 826	1 077 268
Loss per passenger	(5.16)	(4.53)	(2.95)	(3.09)

a/ Year ended 30 June.

Sea

67. All ports in the Territory come under the control of the Port Authority, a corporate body set up in 1976 and operating without governmental subsidy. The territorial Government guarantees the CDB loans, but it is the Port Authority that repays the loans.

68. During 1988, the port in Grand Cayman handled a total of 117,586 tons of cargo, a 15 per cent increase over the 1987 indicator. The Cayman Brac port handled 8,500 tons, an increase of 47 per cent over the 1987 total. The portion of freight containerized reached a level of 93.74 per cent.

69. Port statistics for 1986-1988 are set out below:

Port statistics, 1986-1988

Grand Cayman	1986	1987	1988
Cruise ship calls	323	277	286
Ships trading	20	25	23
Port calls	271	267	264
Port working days	281	279	281
Days ships unable to work	5	12	11
Tons unloaded	86 852	100 017	117 586
Containerized cargo (percentage)	84.4	87.9	93.7
Containers landed (6 metres equivalent)	8 478	10 159	12 916
Tons landed per hour	55.41	59.6	63.80
Cayman Brac			
Cruise ship calls	-	-	-
Ships trading	12	13	13
Port calls	65	83	91
Port working days	281	279	275
Days ships unable to work	-	8	-
Tons landed	3 454	4 532	8 500
Tons cargo landed per hour	35	36.8	48.30

70. Port/country of origin of cargo arriving at Grand Cayman during the period 1986-1988 was as follows:

Port/country of origin of cargo arriving at Grand Cayman, 1986-1988

(In tons)

Port/country	1986	1987	1988
Miami, United States of America	58 396	62 917	71 328
Tampa, United States of America	8 929	11 299	14 212
Costa Rica	8 410	11 465	19 077
Jamaica	2 110	2 279	1 780
Mexico	6 384	4 860	4 674
Honduras	2 730	6 120	2 051
Mississippi, United States of America	112	125	145
Japan	838	-	-
Europe	1 954	726	505
Jacksonville, United States of America	444	-	2 367
Israel	-	226	-
St. Maarten	-	-	160.50

71. In addition to managing all ports in the Cayman Islands, the Port Authority has other responsibilities, which include the establishment of lighthouses, control of berths, establishment and control of transit sheds, loading and unloading of vessels and supervision of territorial waters.

72. Facilities at George Town Harbour consist of the south wharf, which is 136 metres long; Finger Pier, which is 61 metres long, with a maximum depth of 7 metres; and the west wharf, which is 73 metres long, with a maximum depth of 6 metres. There are also three roll on/roll off ramps. The port at Creek, Cayman Brac, is equipped to handle the same kind of vessels handled at George Town. Little Cayman has a small port facility. A small jetty at Spotts, Grand Cayman, caters to cruise ship visitors when weather conditions prevent the use of the passenger landing facility at George Town.

Roads

73. The road infrastructure comprises 80 kilometres of roads connecting all districts on Grand Cayman, 34 kilometres of usable roads on Cayman Brac and a road on Little Cayman; roads on Grand Cayman and Little Cayman are fit for motor travel. The territorial Government continues its efforts to upgrade the road infrastructure in accordance with the Master Ground Transportation Plan adopted in 1987.

74. In 1988, 11,995 vehicles were registered in the Territory. Traffic accidents numbered 953, the highest ever recorded, and involved 1,500 drivers.

Postal services

75. The Territory's postal needs are served by the General Post Office located at George Town and six sub-post offices and three agencies on Grand Cayman, a branch office in State Bay and five sub-post offices on Cayman Brac, and an agency on Little Cayman.

Telecommunications

76. Cable and Wireless (West Indies) Ltd. has been providing interisland and international communications for the Cayman Islands since 1966. At the end of 1988, the Cable and Wireless telephone system served 8,553 subscribers with 16,947 stations. International outgoing paid telephone minutes reached 9.5 million, an increase of 14 per cent over 1987. A computerized telephone exchange installed on George Town in 1983 provides international direct dialing to 110 countries. Communication is achieved through links with the United States, Canada, United Kingdom, Bermuda and Jamaica. There are a total of 185 circuits.

77. The number of telex service customers decreased to 208 after the introduction of facsimile machines provided by Cable and Wireless. "Fax" numbers listed in the local Cayman Islands directory exceeded 360.

G. Construction

78. The Central Planning Authority is responsible for regulating the development of the construction industry in the Territory. During 1988, it approved 548 projects with a total cost of $CI 131.3 million. The main activity was in the residential and apartment/condominium categories, with the cost of the projects amounting to $CI 31 million and $CI 42.3 million, respectively. The cost of the projects carried out in the hotel sector was $CI 28 million.

H. Utilities

79. For over 20 years, electricity in the Territory has been provided by Caribbean Utilities Company, Ltd. (CUC), under an exclusive licence first granted by the Government in 1966, and renewed in 1986 for a further 25 years. CUC is a public company with approximately 450 shareholders. In 1988, its total assets stood at

$CI 34.2 million, with revenues reported at $CI 19.1 million. CUC now provides service to some 10,000 consumers. In 1989, the total installed capacity of its generating equipment was 58 MW.

80. Central De-Sal, Ltd. (CDS), a sister company of CUC, was awarded a contract by the territorial Government in 1986 to supply water to the Cayman Islands. The contract requires CDS to supply the Water Authority in the first year of operation with 567,800 litres, going up to 1.7 million litres in 1990. The franchise for the piped water supply to the hotels and other tourist-oriented areas on Seven Mile Beach was granted by the Government in 1979 to the Cayman Water Company, Ltd., which has a desalination plant with a production capacity of 3 million litres per day. During 1988, the volume of piped water sales amounted to 530 million litres.

81. Home Gas, Ltd. has been supplying Cayman Islands with propane gas since 1957. It also provides gas for the Territory's commercial and residential operations. The company owns tanks with a storage capacity of 946,000 litres.

I. Broadcasting and press

82. The Government Information Services is in charge of all public information activities.

83. The Caymanian Compass, the only newspaper published in the Cayman Islands, is issued from Monday to Friday by the Cayman Free Press, Ltd. The newspaper's circulation was listed as 25,000 in 1988. Newstar is a monthly newsmagazine that covers different aspects of life in the Territory. It was first published in 1988.

84. There is no television station in the Cayman Islands, but various television programmes, mostly from the United States, are received either via satellite or privately owned disk antennae, or from tapes played on video recorders.

85. The government-owned Radio Cayman has been broadcasting various programmes from 6 a.m. to 11.30 p.m. daily since 1976. Nine newscasts are broadcast on weekdays, seven on Saturdays and five on Sundays.

J. Assistance from the United Nations system of organizations

86. Within the United Nations system, the United Nations Development Programme (UNDP) continues to be the main source of technical assistance to the Territory. For the fourth programming cycle (1986-1990), the Governing Council has approved a total of $US 462,538, which includes $US 22,000 carried over from the third programming cycle. The Government of the Territory is pursuing a programme aimed at economic diversification to reduce dependence on the two main sectors of tourism and offshore financing. In implementing this strategy, a major concern of the Government is the training of nationals to fill the numerous posts currently held by expatriates. The main focus of UNDP assistance is human resources development, through which training in a wide variety of areas will be provided to nationals. The second country programme (January 1987-December 1991) will therefore address previously unmet training needs in certain priority areas, such as hydrogeology,

physical planning, civil aviation, technical drawing, architectural design, building technology and electrical engineering. For 1987 and 1988, assistance from UNDP to the Cayman Islands totalled $US 350,000, of which $US 147,000 was spent during 1987 and $US 203,000 during 1988. The Cayman Islands Government became a signatory in August 1987 to the UNDP regional project for cultural heritage and development.

IV. SOCIAL CONDITIONS

A. Labour

87. The Cayman Islands has virtually no unemployment. The labour force in the Territory is made up of both Caymanians and expatriates from Canada, Central America, Jamaica, the United Kingdom, the United States and elsewhere. Foreign workers, who must acquire work permits from the Immigration Department in order to work in the Territory, showed a steady increase during 1989 to a new total of 6,252, compared with 5,994 at the end of 1988. These work permit holders exclude some 500 non-Caymanians employed by the Government. Of the total, the professional group increased from 1,206 to 1,498; the skilled group from 2,150 to 2,420, and the semi- and unskilled group from 1,565 to 2,026. 17/

88. A labour law that became effective on 1 March 1988 provides, inter alia, for a six-month 'grace-period" during which the penal sections would not be enforced in order to allow both employers and employees to become acquainted with the provisions of the new law. Other provisions include a written statement setting out conditions of employment; an expeditious process for settling labour claims; an extension of the period of probation for new employees; paid vacation and maternity leave; and definition of a working week.

89. An issue of the Cayman Gazette introduced a new set of directives to the Caymanian Protection Board, aimed at controlling the number of work permit holders allowed in the Islands. 18/ The new directives confer preferential treatment to work permit applicants married to, or descended from, Caymanians; in addition, they require the Protection Board to give Caymanians status to residents who, under the old law, lost it on becoming 18 years of age. The first amendment grants the Board discretionary powers in implementing the 1987 directive of issuing permits in such a way that the number granted to the nationals of one region of the world should not exceed by more than 20 per cent the number granted to workers from another region. Five geographical regions were listed for purposes of work permits: West Indies and Central America; United Kingdom and Ireland; United States; Canada; and elsewhere.

B. Public health

90. Health care in the Cayman Islands is provided by the Health Services Department, which is responsible for all government health care including public health services and services by private practitioners. The Health Practitioners Board has the duty of overseeing the standard of health care provided in the Islands. There are two divisions of the public health services: one encompasses community health service, primary care through the district health centres, and

functions specified in the health laws; these programmes are supervised by the Medical Officer of Health. The other division covers the environmental health concerns of the Territory.

91. In 1988, there were 17 doctors in government service, two of whom were in Cayman Brac. There were 18 doctors in full time private practice, providing family health care or specialized service. In addition, there were 16 visiting specialists who provided specialized medical care on a regular basis. Dental care was available from two government dental officers as well as three dentists, two orthodontists and two peridontists engaged in private practice. There were two optometrists in private practice. There is one resident doctor per 720 people in the Cayman Islands, compared with about 1 per 600 in the United Kingdom, and 1 per 300 in the United States. The Government operates the 52-bed (including 7 nursery beds) Cayman Islands Hospital; an 8-bed extended care unit at the Pines Retirement Home on Grand Cayman; and the 12-bed Faith Hospital on Cayman Brac. In addition, primary care is provided through four district health centres on Grand Cayman. Specialists' services in the following fields are available locally: surgery; gynaecology and obstetrics; paediatrics; internal medicine; anaesthesiology; public health; orthopaedics; ophthalmology; ear, nose and throat; and periodontology. In addition, from time to time, visiting specialists provide services in the fields of dermatology, cosmetic surgery, colorectal surgery, faciomaxillary surgery and urology.

92. During the period under review, life expectancy at birth was 74.5 years. The rates for infant mortality and neo-natal mortality were both 5.3 per 1,000 live births. The incidence of communicable diseases was very low. There was a sustained utilization of district health centres, with 23,091 patient visits to centres on Grand Cayman and 205 visits to the public health clinic at Faith Hospital. There were 9,444 home visits made by Public Health nurses in 1988, an increase of 12.3 per cent over 1987. A total of 2,261 patients were seen in general practice clinics in the districts.

93. Immunization coverage continued to be highly satisfactory, exceeding the target set by World Health Organization (WHO). Immunization against diphtheria/whooping cough/tetanus was administered to 93 per cent of the target group (infants under 12 months).

94. Acquired immunodeficiency syndrome (AIDS) and human immunodeficiency virus (HIV) infection have been added to the list of reportable diseases in an effort to intensify epidemiological surveillance and to provide support and counselling to victims of AIDS and HIV. Membership in the National AIDS Task Force, established in 1986 for the management of the AIDS Programme, was extended in 1988 to other related departments, such as Education and Social Services, and to non-governmental agencies. The Task Force members constitute the National Advisory Committee on AIDS, which advises on the AIDS Programme. Membership in the Task Force consists of health professionals. WHO committed $US 39,600 for the short-term plan for AIDS prevention and control. The medium-term plan for 1989-1991 has now become part of the Government's official policy.

95. The week of 6 to 11 April 1988 was celebrated as Health Week. Pamphlets on high blood pressure were distributed and the annual diabetes/hypertension screening programme was carried out during the week. The local newspaper carried health

articles every day of the week and the radio aired feature programmes. During 1988, the fifth annual colon cancer screening programme was launched in conjunction with the Cayman Islands Medical and Dental Society. The Government intensified an educational campaign on AIDS through the media, public seminars and video tape presentations. Pamphlets on AIDS, obtained from the United Kingdom, were made available to the public through doctors' offices, district health centres and hospitals. On the occasion of World AIDS Day, 10,000 copies of the brochure "Understanding AIDS", were distributed throughout the Islands.

C. Educational conditions

96. Education is free and compulsory for Caymanian children between 4 years-9 months and 16 years of age. There are nine government and six church-sponsored primary schools. There are two government high schools, a new middle school and two private secondary schools. The total number of pupils enrolled in all schools in the islands in 1987 was 4,966. Government schools registered 221 pupils in reception, 1,069 in primary, 800 in middle, and 1,113 in secondary schools. Private schools, which continue to make a major contribution to education, particularly in the primary years, registered 223 in reception, 990 in primary, 371 in middle, and 179 in secondary schools.

97. The territorial Government maintains the view that education continues to be a number one priority. The amount of $CI 9.3 million was allocated for education in the 1989 budget, compared with $CI 8.3 million in 1988.

98. The Community College of the Cayman Islands, established in 1987 as a corporate body to provide post-secondary and adult education, is governed by a board comprising government and public representatives. The first board took office in January 1989, at which time plans for the construction of a permanent campus were well under way. During 1988, the College continued to operate from its premises in the Tower Building and the former PWD compound, where it held classes in business studies, catering and building trades. The College's three full-time departments registered 88 students in September 1988, while the extension programme had an enrolment of over 500 students in 45 subjects taught in evening classes.

99. The International College of the Cayman Islands (ICCI), a private independent institution of higher education, with a campus at Newlands, Grand Cayman, is accredited as a senior college by the Accrediting Commission of the Association of Independent Colleges and Schools, Washington. It is chartered in the States of Florida as a degree-granting institution and is authorized by that State's Board of Independent Colleges and Universities to offer courses leading to certificates and to associate's, bachelor's and master's degrees. In the 1987/88 school year, ICCI, which offers both daytime and evening classes, had an enrolment of 290 students drawn from 20 countries. The faculty, both full-time and part-time, numbered 26. The college library has over 30,000 books and other publications.

100. The Cayman Islands Law School offers an opportunity to Caymanians to qualify for law courses offered locally. The attorney-at-law course, which forms the main part of the law school's programme, is a five-year course with examinations given at the end of each year. The Director of Legal Studies holds primary responsibility for the students' academic training, while the responsibility for

vocational training rests with the local attorneys to whom the students are articled. In 1988, the school had 21 students enrolled in the professional courses. There were four full-time lecturers and a director. There is an active Law Students Society which arranges formal and social events throughout the year. The students participate in mock trials and visit courts, prisons and private sector firms, as well as other government departments, to gain practical insight into the subjects studied in the course. Three students graduated in 1988, qualifying to practise as attorneys-at-law in the Cayman Islands. In addition, they were awarded Bachelor of Laws degrees by the Liverpool University in England. Five students commenced law studies in connection with the Chartered Institute of Bankers trustee diploma. During 1988, the School introduced a course in advocacy where fourth and fifth year students received appropriate training.

D. Crime and crime prevention

101. The overall number of reported crimes in the Territory rose from 2,594 in 1987 to 3,061 in 1988, showing an 18 per cent increase. The detection rate of offences remained at 74 per cent. The reported crime statistics for 1987 and 1988 were as follows:

Crime statistics, 1987 and 1988

	1987		1988	
	Crimes reported	Crimes solved	Crimes reported	Crimes solved
Category of offences				
Against public order	97	86	95	87
Against lawful authority	15	15	34	34
Injurious to the public	210	207	220	208
Against the person	297	244	346	313
Against property	706	262	1 114	421
Malicious damage	123	84	211	157
Forgery, etc.	16	15	24	22
Drug offences				
Cannabis	273	264	208	208
Cocaine	230	220	226	226
Other	332	317	273	273
Public Force Law	134	128	160	160
Liquor Licence Law	18	18	32	32
Marine Conservation Law	11	11	44	44
Littering	-	-	6	6
Firearms Law	20	20	27	27
Juvenile Law	-	-	1	1
Gambling Law	76	76	5	5
Animals Law	5	3	7	7
Telephone Law	4	-	14	14
Other offences	26	22	14	13
Totals	2 593	2 001	3 061	2 258

102. The territorial Government continued to focus major attention on the spread of illicit drugs. Classes in drug awareness were introduced in an effort to counteract the problem. Considerable efforts were devoted to the elimination of drug supplies. Fifty prosecution cases against drug suppliers were carried out during 1988.

103. The Royal Caymanian Islands Police consists of four branches: administration, training, uniformed policing and plain clothes. The Uniformed Policing Branch, operating from the Central Police Station at George Town, and from out-stations at West Bay, Bodden Town, East End and North Side, provides Grand Cayman with 24-hour protection. A station on Cayman Brac serves the Lesser Islands. Plain clothes policing activities cover the general-duty Criminal Investigation Department, the Commercial Crime Branch, the Drug Squad and a Scene-of-crime/Forensic Branch. The force consists of 196 officers and a civilian support staff of 19. A training course for recruits was held during the year, from which eight officers graduated to become regular members of the force. Almost 70 per cent of the force are of Caymanian status.

104. Her Majesty's Northward Prison is the only detention facility in the Territory. The prison population consisted of 159 males and 24 females during 1988. Finding suitable Caymanian applicants to join the Prison Service continued to prove difficult. Of the four female and one male officers recruited during the year, one female had Caymanian status. Some improvement to facilities was achieved. The dining areas for inmates and staff were extended and the kitchen equipment was upgraded. Regular work was provided for most inmates on internal or external work parties. The farm/horticultural enterprises produced 10,395 kilograms of vegetables and 36,906 eggs, making the prison self-sufficient in those items. Sizeable surpluses were sold locally. Similarly, handicrafts and needlework items found a ready market.

Notes

1/ The information contained in this paper has been derived from published reports and from information for 1988 and 1989 transmitted to the Secretary-General on 16 June and 6 September 1989 by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

2/ The Caymanian Compass, 12 June 1989.

3/ The local currency is the Cayman Islands dollar ($CI). Under the articles of agreement of the International Monetary (IMF), parity of the Cayman dollar to the United States dollar is fixed at $CI 1.00 = $US 1.20. See also para. 37.

4/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. V, chap. XXIV, annex, sect. B, paras. 5-13.

5/ United Kingdom of Great Britain and Northern Ireland, Reference Services, No. 204/87 (London, Central Office of Information), December 1987.

6/ The Caymanian Compass, 12 June 1987.

7/ Ibid., 16 November 1989.

8/ Ibid., 29 May 1989.

9/ Ibid., 22 March 1989.

10/ Ibid., 21 April 1989.

11/ Ibid., 31 May 1989.

12/ Ibid., 20 November 1989.

13/ Ibid., 30 January 1989.

14/ Ibid., 20 October 1989.

15/ Caribbean Development Bank Annual Report 1986, p. 26.

16/ Ibid., 1987, pp. 28 and 29.

17/ The Caymanian Compass, 12 May 1989.

18/ Ibid., 31 January 1989.

UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1020
7 February 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

ACTIVITIES OF FOREIGN ECONOMIC AND OTHER INTERESTS WHICH ARE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES IN NAMIBIA AND IN ALL OTHER TERRITORIES UNDER COLONIAL DOMINATION AND EFFORTS TO ELIMINATE COLONIALISM, APARTHEID AND RACIAL DISCRIMINATION IN SOUTHERN AFRICA

CAYMAN ISLANDS

Working paper prepared by the Secretariat

CONTENTS

		Paragraphs	Page
I.	GENERAL	1 - 3	2
II.	FINANCIAL INSTITUTIONS	4 - 15	2
III.	TOURISM	16 - 25	5
IV.	PROPERTY AND LAND DEVELOPMENT	26 - 31	6

I. GENERAL 1/

1. Basic information on economic conditions in the Cayman Islands, with particular reference to foreign economic interests, is contained in the working papers prepared by the Secretariat in 1989 (A/AC.109/982 and A/AC.109/989). Supplementary information on the activities of foreign economic interests in the Territory is set out below.

2. The major economic sectors of the Cayman Islands are finance, tourism, construction and real estate. International financial institutions and tourism contribute significantly to the development of the Territory by providing substantial amounts of capital and foreign exchange for trade and investment. In addition to being important sources of employment, these two sectors constitute a major growth factor for other sectors of the Territory's economy, such as the construction industry, real estate development and the offshore insurance business.

3. As stated in previous working papers (A/AC.109/982 and A/AC.109/989), the banking and trust industry has expanded considerably since its inception in the early 1960s. Also as previously reported (A/AC.109/768, para. 27), the Territory's status as a tax haven, its bank-secrecy laws, its accessibility and its stability provide the conditions necessary for a successful financial centre. As such, it provides a wide variety of services to international financial institutions and clients.

II. FINANCIAL INSTITUTIONS

4. During the period under review, the tax exemption laws of the Cayman Islands continued to attract foreign investment. The international banking industry continued its growth despite the competition from other Territories. The number of countries represented in the banking community rose to 59. The latest figures available estimate the total assets of the banking sector at $US 250 billion, making the Territory's banking community the seventh largest in the world.

5. In 1988, a total of 40 new licences were issued and 21 were cancelled; with a net increase of 19, licences issued reached a new record total of 527. Cancellations were primarily a result of mergers and acquisitions. New licences included major international banks, with 44 of the world's 50 largest banks now being licensed in the Territory. Countries with a banking presence in the Cayman Islands total 59, with the largest share, 29 per cent, coming from the United States of America, followed by Switzerland, 7.4 per cent, and Denmark, 5.9 per cent. The dynamics of bank and trust companies' licences issued in the Territory during 1983-1988 were as follows:

	"A" licences (domestic)	"B" licences (offshore)	Total
1983	32	420	452
1984	31	428	459
1985	31	450	481
1986	31	468	499
1987	32	476	508
1988	35	492	527

6. The contribution of the banking sector to the economy of the Cayman Islands comprises direct payments to the territorial Government in the form of licence fees, which in 1988 totalled $CI 5.5 million, as well as approximately $CI 55.2 million contributed to the economy in the form of salaries, rents, capital expenditure and other normal business costs. Banks operating offshore contributed a further $CI 7.2 million. 2/

7. In 1988, approximately 1,025 persons, of whom 76 per cent were Caymanians, were directly employed in the banking industry of the Cayman Islands.

8. The Inspector of Banks and Trust Companies of the Cayman Islands is responsible for the supervision of the international banking sector in the Territory. According to press reports, Mr. John B. Atkins, a 13-year veteran of the Bank of England, was appointed in 1989 to replace Mr. Peter Crook in that position. The appointment was agreed upon between the International Monetary Fund (IMF) and the Government of the Cayman Islands. Mr. Atkins took up that post in mid-July 1989.

9. In November 1989, the Bankers Association of the Cayman Islands held an international conference devoted to the problems of international banking. The conference was attended by some 80 delegates from North and South America, Europe and Japan. The Governor and the Financial Secretary of the Territory addressed the participants, emphasizing the opportunities available to the international banking community in the Cayman Islands. 3/

10. During the period under review, the territorial Government continued to promote the Cayman Islands as a high-quality offshore insurance sector. Towards that end, as of 1 January 1988, the Government conferred departmental status on the office of the Superintendant of Insurance. Currently, the Department of the Superintendant of Insurance has two main areas of responsibility i.e., licensing, and control over domestic insurance and offshore captive markets.

11. As of the end of 1988, the domestic insurance market of the Cayman Islands comprised two locally owned and locally incorporated insurers, as well as 23 international insurers with active branches or agents in the Territory. Approximately 64 agents and sub-agents were licensed to solicit business. Nearly $CI 16 million in premium income was received in 1987, the latest figure available, of which almost $CI 7 million came from life insurance business.

12. In 1988, the insurance companies registered in the Territory paid almost $CI 16.5 million, which had been claimed as compensation for damage caused by Hurricane Gilbert.

13. The offshore captive sector consists of insurers that are incorporated as exempt companies in the Cayman Islands but are licensed to underwrite non-domestic business. During 1988, 29 captive insurance licences were granted, and 362 licences were in force as of the end of 1988. Basic data relating to the insurance industry of the Cayman Islands, is set out below:

"A" Licences (domestic)

	External approved insurers	Local insurers	Agents	Sub-agents	Brokers
1984	26	2	36	8	8
1985	26	2	42	7	8
1986	26	2	47	7	8
1987	26	2	51	8	5
1988	27	2	54	10	6

"B" Licences (offshore)

	Insurance managers	Unrestricted "B" insurers	Restricted "B" insurers
1984	34	226	45
1985	34	243	53
1986	28	272	69
1987	28	285	75
1988	29	289	73

14. According to press reports, the Cayman Islands started promoting the captive opportunities available in the Territory on the Scandinavian market. Towards that end, the Superintendant of Insurance of the Cayman Islands participated in a captive insurance conference organized at Stockholm in May 1989 by the Trygg Hansa Insurance Group, the second-largest Swedish insurance company. 4/

15. In May 1989, the Cayman Islands hosted a captive insurance conference, which was attended by some 80 delegates representing mostly foreign insurance companies. The conference emphasized the Territory's role as a captive domicile, and examined the opportunities emerging for international insurance companies in the Cayman Islands offshore captive market.

III. TOURISM

16. Tourism continued to be a dominant sector of the economy of the Cayman Islands, being a major source of foreign currency earnings. It also plays a significant role in providing employment in the Territory.

17. The year 1988 brought continued growth in tourism. Approximately 500,000 tourists visited the Territory, despite the effects on the tourist industry caused by Hurricane Gilbert in September 1988. Air arrivals were up by 4.6 per cent over 1987, with 218,709 stay-over visitors. The 291 calls by cruise ships in 1988 brought a total of 315,585 passengers, showing a 16 per cent increase over the 1987 total. During the first six months of 1989, however, the tourist industry experienced a significant decline in its activities. Total air arrivals as of 30 June 1989 were 108,543, compared with 122,011 for January-June 1988, a decline of 11 per cent. At the same time, cruise ship arrivals for January-June 1989 totalled 219,615, a 33.9 per cent growth compared with the first six months of 1988. 5/ According to press reports, the decline in the tourist industry during 1989 was caused by a significant rise in consumer prices and by unsatisfactory marketing promotion and advertising of the Cayman Islands as a major tourist resort. 6/

18. To remedy the decline in tourism, the territorial Government reportedly introduced more attractive package deals for 1990, and increased advertising and promotion activities in the United States and in Europe, particularly in the United Kingdom. New special promotions at a special price, however, would not affect the number of persons employed in the tourist industry or their wages. 7/

19. The destruction by fire of the Royal Palms Hotel in May 1988 was a blow to tourism, depriving the industry of over 80 rooms which had had a consistently high occupancy rate. The Cayman Islander hotel was also taken out of commission, so that at the end of the year the total number of hotel beds was slightly down at 2,606, while the total for apartments, cottages and guest-houses rose to 5,158.

20. The owners of the 290-room Treasure Island Resort, the largest hotel in the Islands, signed a management contract with Ramada, ending the association with Best Western, and changing the hotel's name to the Ramada Treasure Island Resort. Construction was begun on a 306-room Radisson Hotel on one of the few large sites still available on Seven Mile Beach; the hotel's opening date is scheduled for June 1990. On 16 June 1989, CIBC Bank and Trust Company (Cayman), Ltd., announced that it would provide the $CI 34 million financing for the Radisson Hotel, which will be developed by the Columbia Sussex Corporation, a major United States-based hotel developer. 8/

21. Cayman Airways, the national airline, continued to play a major role in bringing visitors to the Islands. Eastern Airlines and Northwest Airlines continued to provide daily service to Miami, with Northwest increasing its flights to Memphis. As in previous years, the 1987/88 winter charter programme was a success, with Cayman Airways again having to lease a third jet to add to its two, to accommodate all interested visitors. The 1988/89 charter, however, did not require an additional airplane. The Department of Tourism and the national airline

continued their successful advertising campaign, via television and radio in Miami, Tampa, Atlanta, Houston, Denver and New York.

22. Magazine and newspaper coverage of the Islands increased, contributing to the surge in visitor arrivals. A large number of journalists visited the Islands in 1988, and articles appeared in National Geographic, Skin Diver, Islands Magazine, Travel and Leisure, Bon Appetit and numerous newspapers.

23. Sales promotions continued in North America and Europe throughout the year. The Department of Tourism participated in trade shows sponsored by the Caribbean Tourism Association at the World Travel Market in London, and helped make the Cayman Islands the biggest exhibitor at DEMA, the largest diving trade show of the year. In addition, every sales region mounted its own series of sales seminars for travel agents, which were well attended by the hoteliers and watersports operators of the Cayman Islands.

24. A "mini-marketplace" held in Grand Cayman in April 1988, brought wholesalers and tour operators to the islands to negotiate new contracts with hoteliers and to look into other tourist interests. Some 1,200 travel agents from all over the United States, Canada and the United Kingdom visited the Islands during 1988 through organized familiarization trips which, during the year, totalled 41. The 56 familiarization trips organized for 1989 are expected to introduce 1,600 more travel agents to the Territory.

25. Representatives of the Cayman Islands participated in a Caribbean Regional Hotel and Condominium Association Conference, held in the Bahamas from 11 to 15 June 1989. The Conference was devoted to the exploration of problems of the tourism industry in the Caribbean region.

IV. PROPERTY AND LAND DEVELOPMENT

26. The 1971 Development and Planning Law established the Central Planning Authority to control the development of land. The Authority is composed of representatives from both public and private sectors and meets twice a month to consider applications for planning approval. Land in the Territory is divided into commercial, residential and light and heavy industrial zones.

27. During the period under review, property and land development continued to be dominated by foreign investors, particularly hoteliers. The Divi Hotel Group, the Ramada Treasure Island Resort, the Hyatt Regency and the Radisson Hotel Group have all established luxury facilities in the Islands. 9/

28. During 1988, the Central Planning Authority approved 548 land development projects at a total value of $CI 131.3 million. The main activity was in the residential ($CI 31 million), apartments/condominiums ($CI 42.3 million), and hotels ($CI 28 million) categories.

29. The demand for apartments on prime beachfront sites was sustained, with emphasis on the luxury sector of the market, where the price range often exceeded

the million-dollar mark. Two high-quality complexes, the Cayman Club and Laguna del Mar, were completed by the end of 1988, and another, Great House, was under construction.

30. The Land Registry reported a record level of activity. The value of land transfers during 1988 amounted to $CI 131.1 million. The number of transactions involving land transfers registered during 1988 was 6,595. In 1988, $CI 12.2 million was collected in stamp duty, exceeding the record of $CI 9.2 million set in 1987. According to press reports, 10/ the number and the value of land transfer transactions continued to grow during 1989. The value of land sales for January-September 1989 amounted to $CI 99.5 million.

31. In June 1989, the Cayman Islands' Real Estate Brokers Association (CIREBA) initiated publication of a Multiple Listing Service, which would allow persons interested in buying real estate in the Territory to get a factual, visual and economic presentation of all real estate properties offered by the Association. The first issue contains over 100 listings, from residential lots selling for $CI 17,000, to luxury beachfront houses selling for $CI 1.4 million. Also included in the Multiple Listing Service are commercial properties, condominiums and single- and multi-family units located on Grand Cayman, Cayman Brac and Little Cayman. 11/

Notes

1/ The information contained in this paper has been derived from published reports and from the information for 1989 transmitted to the Secretary-General on 16 June and 6 September 1989 by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

2/ The local monetary unit is the Cayman Islands dollar ($CI). Under the Articles of Agreement of the International Monetary Fund, the value of the Cayman Islands dollar in relation to the United States dollar is fixed at $CI 1.00 = $US 1.20.

3/ The Caymanian Compass, 15 November 1989.

4/ Ibid., 23 May 1989.

5/ Ibid., 28 July 1989.

6/ Ibid., 28 February 1989.

7/ Ibid., 21 February 1989.

8/ Ibid., 16 June 1989.

9/ Ibid., 11 August 1987, 2 December 1988 and 30 January 1989.

Notes (continued)

10/ Ibid., 20 October 1989.

11/ Ibid., 19 June 1989.

UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1021
15 March 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

BRITISH VIRGIN ISLANDS

Working paper prepared by the Secretariat

CONTENTS

		Paragraphs	Page
I.	GENERAL	1 - 5	3
II.	CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	6 - 29	4
	A. Constitution	6 - 10	4
	B. State of emergency	11 - 12	4
	C. Political parties and elections	13 - 16	5
	D. Future status of the Territory	17 - 19	5
	E. External relations	20 - 24	6
	F. Public service	25 - 28	7
	G. Other developments	29	8
III.	ECONOMIC CONDITIONS	30 - 68	8
	A. General	30 - 34	8
	B. Public finance	35 - 38	9

/...

90-06686 1393g (E)

CONTENTS (continued)

		Paragraphs	Page
C.	Land, development and construction	39 - 42	10
D.	Agriculture, livestock and fisheries	43 - 45	11
E.	Industrial development and mining	46 - 48	11
F.	Communications and other basic facilities	49 - 54	12
G.	International business	55 - 59	13
H.	Tourism and related activities	60 - 61	14
I.	Assistance from the specialized agencies and other organizations and institutions of the United Nations system	62 - 68	14
IV.	SOCIAL CONDITIONS	69 - 75	16
A.	Labour	69	16
B.	Public health	70 - 71	16
C.	Crime prevention and drugs	72 - 74	16
D.	Status of women	75	17
V.	EDUCATIONAL CONDITIONS	76 - 78	17

BRITISH VIRGIN ISLANDS 1/

I. GENERAL

1. The British Virgin Islands comprise nearly 30 islands and islets, 16 of which are inhabited. They cover a total of 153 square kilometres and lie 96 kilometres east of Puerto Rico and 225 kilometres north-west of Saint Kitts and Nevis. The Territory also lies in close proximity to the United States Virgin Islands. The most important islands in the British Virgin Islands are Tortola (54 square kilometres), the largest in the group, Anegada (38 square kilometres), Virgin Gorda (21 square kilometres) and Jost Van Dyke (9 square kilometres). Peter Island and Cooper Island are mainly holiday resorts. The main airport is situated on Beef Island. Road Town, the capital, is located on Tortola.

2. The climate is sub-tropical and is moderated by trade winds. The average temperature in winter ranges from 20 to 28 degrees centigrade and in summer from 26 to 31 degrees centigrade. Mean annual rainfall is 1,270 millimetres.

3. The Territory, which is in the hurricane zone, was struck by Hurricane Hugo, one of the century's most violent storms, on 17 September 1989. Severe damage was done to the Territory's infrastructure, private homes and to the hotel and yachting industries. The major coastal roads on Tortola and the ports on outer islands were destroyed. The extent of the damage, which is still being assessed, was revised downward from $US 200 million to approximately $US 120 million. The Government is being assisted in its initial recovery programme by the Governments of the United Kingdom of Great Britain and Northern Ireland, Canada, the United States of America, other Caribbean Governments and regional and international donor agencies and organizations. On 12 October 1989, the General Assembly of the United Nations adopted resolution 44/3 entitled "Emergency assistance to Antigua and Barbuda, the British Virgin Islands, Dominica, Montserrat and St. Kitts and Nevis", which, inter alia, urged all States, as a matter of urgency, to contribute generously to the relief, rehabilitation and reconstruction efforts in the affected countries (see also paras. 63-68).

4. At the last census conducted in 1980, the population was 12,034, an increase of more than 20 per cent over the 1970 census figure and nearly double the population of 1960. The rapid development of the economy, mainly in tourism and related industries, was responsible for the increase. In mid-1987, the population was estimated at 14,000. In preparation for the population and housing censuses in 1990/91, the Territory participated in the activities of the Regional Census Co-ordinating Committee and was represented at the Committee's third annual meeting at Antigua in November 1989.

5. As a result of a special relationship that exists between the British Virgin Islands and the United States Virgin Islands, residents of the United Kingdom administered islands continued to be exempt from United States visa requirements when visiting the United States Virgin Islands (see also para. 24).

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

6. The Territory is administered under the Virgin Islands Constitution Order, 1976, which came into force in 1977 and was amended in 1979 and 1982. The Government consists of a Governor appointed by the Queen, an Executive Council and a Legislative Council.

7. The Governor is responsible for defence and internal security, external affairs, the civil service and the administration of courts. He acts in consultation with the Chief Minister on these matters. He has reserved legislative powers necessary in the exercise of his special responsibilities. On other matters, however, he is required to act in accordance with the advice of the Executive Council. The Constitution makes provision for the post of Deputy Governor.

8. The Executive Council consists of the Governor as Chairman, the Chief Minister, three other ministers and one ex officio member (the Attorney-General).

9. The Legislative Council consists of a Speaker chosen from outside the Council, one ex officio member (the Attorney-General) and nine elected members returned from single-member constituencies every four years. The Governor appoints as Chief Minister the elected member of the Legislative Council most likely to command a majority in that body. The other ministers are appointed by the Governor on the advice of the Chief Minister and assigned responsibility for any government business, except in those areas for which the Governor retains responsibility. The Constitution provides for a Deputy Chief Minister and a Leader of the Opposition.

10. The law of the British Virgin Islands is the common law of the United Kingdom, together with locally enacted legislation.

B. State of emergency

11. Under the provisions of the Emergency Powers (Disaster) Ordinance 1984, a State of Emergency was declared in the Territory by the Governor-in-Council on 19 September 1989, in the aftermath of Hurricane Hugo. A number of special Orders were invoked under the declaration for the preservation of the health, welfare and safety of the public. Those Orders provided for access to private property and for the requisitioning of supplies and transportation by public officers. The law provides that reasonable compensation should be paid promptly by the Governor-in-Council to persons affected under the provisions of the Ordinance. 2/

12. The State of Emergency remained in force from 19 September to 25 October 1989, during which time no curfews were imposed and the movement of residents was not restricted. 3/

C. Political parties and elections

13. There are three political parties operating in the Territory. The ruling Virgin Islands Party (VIP) led by Mr. Lavity Stoutt, the current Chief Minister; the United Party (UP), and the Independent People's Movement (IPM), which was launched on 6 February 1989, led by Mr. Omar Hodge, the former Deputy Chief Minister and Minister for Natural Resources and Labour.

14. The last elections, held on 30 September 1986, were contested by VIP and UP. In the final results, VIP won five seats, UP won two seats and the remaining two seats were won by independents. Following political realignments in March 1988, the Leader of the Opposition became a member of the ruling party and was appointed Deputy Chief Minister and Minister for Natural Resources and Labour. Mr. Hodge, who had been dismissed from that post, subsequently became the leader of the new IPM (for details, see A/AC.109/983, paras. 12-16).

15. As previously reported, over 600 potentially eligible voters were unable to register to vote in the above elections, having been unsuccessful in petitioning the United Kingdom Secretary of State for Foreign and Commonwealth Affairs to delay those elections. On 22 December 1987, the territorial Government announced that it would introduce legislation which would amend the Elections Act so as to provide for continuous registration (A/AC.109/940, para. 13). In March 1989, Mr. Donald de Castro, President of the Virgin Islanders for a Better Virgin Islands (VIBVI), a local organization established to promote electoral reform, presented Mr. Elton Georges, the Deputy Governor, with a petition signed by 1,200 Virgin Islanders. The petition requested the Government to revise the election laws, and to recommend amendments to the Constitution, clarifying the qualifications for registrants. 4/

16. In August 1989, Mr. de Castro stated that his organization had received an invitation from the Government to review proposed amendments to the 1977 Voter Registration Act, but that he had objected to the imposition of an 18-day period within which his organization should respond. Pointing out that that time was insufficient for reviewing the 41-page document, he indicated that he would request for a three-month period instead. 5/

D. Future status of the Territory

1. Position of the territorial Government

17. The position of the territorial Government up to October 1988 regarding the future political status of the Territory is contained in the previous working paper prepared by the Secretariat (A/AC.109/983, paras. 20-22). In summary, the territorial Government seeks to maintain the present relationship with the United Kingdom, or a status quo, while seeking greater autonomy in regional affairs.

2. Position of the Government of the United Kingdom

18. In his statement to the Fourth Committee of the General Assembly on 23 October 1989, the representative of the United Kingdom stressed that regardless of the size of the Territory and the number of people involved, the wish of the inhabitants remained the guiding principle of his Government's policy. Its aim was to ensure that the people decided for themselves the kind of political future they wanted. The representative noted that self-determination need not be equated with independence; there were other choices. He informed the Committee that the 10 remaining British dependent Territories had chosen to retain their links with the United Kingdom. They had not been forced to do so, as each Territory was in a position, through its own democratic political structure, to reach a decision on its future relationship with the United Kingdom. His Government remained ready to respond positively in cases where independence was the constitutionally expressed wish of the people concerned. 6/

3. Action by the General Assembly

19. On 11 December 1989, the General Assembly adopted resolution 44/95 on the question of the British Virgin Islands. The resolution reaffirmed that it was for the people of the British Virgin Islands themselves to determine freely their future political status in accordance with the relevant provisions of the Charter of the United Nations and the Declaration on the Granting of Independence to Colonial Countries and Peoples. In that connection, it reaffirmed the importance of fostering an awareness among the people of the Territory of the possibilities open to them in the exercise of their right to self-determination. The administering Power was called upon to continue to take all necessary measures, in co-operation with the territorial Government, to counter problems related to drug-trafficking. The resolution also called upon the administering Power to continue to facilitate the participation of the Territory in various international and regional organizations and in other organizations of the United Nations system (see also para. 3).

E. External relations

20. As an associate member of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Economic Commission for Latin America and the Caribbean (ECLAC) and its subsidiary organs, including the Caribbean Development and Co-ordination Committee (CDCC), the British Virgin Islands participate in the activities and programmes of those bodies. The Territory is also represented at meetings of the Caribbean Group for Co-operation in Economic Development (CGCED), sponsored by the World Bank.

21. The Territory is not a member of the Caribbean Community and Common Market (CARICOM), although it is a member of some of CARICOM's associated institutions, such as the Caribbean Development Bank (CDB) and the University of the West Indies (UWI). It is an associate member of the Organization of Eastern Caribbean States (OECS) and was represented at meetings of heads of Government of that organization

in June and November 1989. The Territory participates directly with other Caribbean Governments in regional and international conferences and programmes organized by Governments, international organizations and multilateral agencies.

22. At its meeting held in Guyana in May 1989, the Commonwealth Parliamentary Association for the West Indies, Americas and the South Atlantic elected the Chief Minister to be the Regional Representative on its International Executive Committee for a term of three years beginning in 1990. 7/

23. The period under review saw several exchanges of visits between high-level representatives of the Territory and other Governments and regional and international organizations. In May 1989, Mr. Oswald Skippings, Chief Minister of the Turks and Caicos Islands, led a six-member delegation to the Territory. In June, Chief Minister Lavity Stoutt travelled to Puerto Rico where he met with its Governor Rafael Hernández Colón, to review opportunities for further mutual economic co-operation. In November 1989, Mr. Timothy Sainsbury, who had been appointed Under-Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom in July 1989, visited the Territory as part of his familiarization tour. Mr. Sainsbury met with officials and members of the Government and observed the damage done by Hurricane Hugo. Mr. John Herdman, Governor of the Territory, attended the annual meeting of Governors of United Kingdom Dependent Territories and Heads of Mission in the Caribbean, which was held in Barbados from 10 to 12 November. The agenda of the meeting included drug-trafficking in the region, the level of United Kingdom aid to the Territories and hurricane relief assistance. Following that meeting, the Governor was expected to visit Puerto Rico, where he would pay a courtesy call on Governor Colón, meet with the Commander for the Greater Antilles of the United States Coast Guard and with senior officials of the Drug Enforcement Administration. 8/

24. The Territory's special relationship with its closest neighbour, the United States Virgin Islands, is maintained through mutual co-operation in several areas. Owing to the devastation caused by Hurricane Hugo in both Territories, the annual United States Virgin Islands/British Virgin Islands Friendship Day celebrations were not held. On 7 October 1989, however, the Chief Minister of the British Virgin Islands led a delegation to the United States Virgin Islands and met with Governor Alexander Farrelly to discuss areas of mutual co-operation and to exchange information on the progress made in the reconstruction efforts in both Territories.

F. Public service

25. According to the information provided by the administering Power on the Territory for 1987, although the total number of established posts rose to 930 (866 in 1985), expenditure on salaries and related costs remained at 47 per cent of the recurrent budget. The Government was reported to have continued its policy of controlling the growth of the public service; new posts were created, however, to cope with the growing demands on, and the complexity of, Government services.

26. It was noted in the same report that the process of upgrading the level of education and training within the service had continued, in keeping with the aim of "localizing" the public service. Overseas recruitment, mainly from the Caribbean

subregion, continued to be necessary, however, to replace civil servants on overseas leave and also to provide skills that were not available in the Territory. A total of 79 expatriate officers were serving on contract terms. A further 70 were serving in permanent and pensionable posts, mainly in the police force and in the Fire and Rescue Service, and an additional 27 were on temporary assignments. A much smaller number of experts recruited under various technical assistance programmes, including the Commonwealth Fund for Technical Co-operation, provided needed advice to the Government.

27. In July 1989, CDB conducted a four-week subregional workshop on project preparation and appraisal in the Territory. The workshop, which was attended by officials of various ministries and state agencies from several Eastern Caribbean countries, was designed to improve the quality of feasibility studies and project proposals. 9/

28. On 24 August 1989, the Governor approved the appointment of Mr. John Rutherford to the post of Commissioner of Police to take effect 29 September 1989. Mr. Rutherford, a national of the United Kingdom, was Deputy Chief Constable of the Thames Valley Police. 10/ Representatives of the Territory's police force continued to participate in regional police activities, including the fourth annual general meeting of the Association of Caribbean Commissioners of Police, held in Virginia, in the United States, and attended by Caribbean and United States law enforcement officials. They also took part in the annual meeting of the Technical Committee of the International Criminal Police Organization (INTERPOL), held in Puerto Rico in November 1989. 11/

G. Other developments

29. There are no military installations in the British Virgin Islands, but the Territory has continued to be a port of call for naval vessels of the United Kingdom and the United States. During the period under review, visiting naval ships included the HMS Gloucester, which arrived in August accompanied by RFA Brambleleaf, and the USS Sampson, which made a courtesy call in October. As part of their hurricane relief assistance, the Governments of Canada, the United Kingdom and the United States deployed military personnel and equipment to the Territory.

III. ECONOMIC CONDITIONS

A. General

30. The economy of the British Virgin Islands is based primarily on tourism and related activities, construction, real estate, banking and government expenditure. In recent years, the Territory has become an important centre for international business and finance. Agriculture, fishing and manufacturing continue to play a minor role.

31. In its report on the Territory for 1988, the Caribbean Development Bank stated that the economy had exceeded 10 per cent in real growth. All sectors except agriculture and fisheries contributed to this healthy performance, with tourism and

financial services being the most dynamic. Economic expansion boosted tax collection and contributed to an overall surplus in the territorial Government's account. Inflation and labour shortages, however, accompanied the boom.

32. CDB had forecast a robust performance over the medium term, with tourism, financial services and construction continuing to be the main catalysts. Several large public sector investment projects, including the setting up of a power station and port improvements and the establishment of a community college, were at various stages of execution.

33. Hurricane Hugo caused severe damage, which was estimated as follows: residential sector, $US 37.5 million; business sector, $US 34.2 million; roads and sea defence walls, $US 36 million; and other public facilities, $US 8.8 million. 12/

34. Damage assessment was undertaken by teams from the Food and Agriculture Organization of the United Nations (FAO), the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), CDB and the British Development Division in the Caribbean (BDD) (see also paras. 62-68).

B. Public finance

35. On 17 February 1989, the Legislative Council approved the budget estimates for 1989; recurrent revenue was estimated at $US 32.8 million and recurrent expenditure at $US 32.4 million. There was a budgetary surplus of $US 0.4 million; this was the third consecutive year that public sector finances recorded a current account surplus. Details of the allocation of resources by government ministries and departments are outlined in the previous working paper (A/AC.109/983, para. 42).

36. At the same session, the Legislative Council also approved the 1989 capital budget, which provided for an estimated $US 7.9 million in expenditure. Of this amount, a record $US 2.2 million came from local revenue (the Capital Fund); $US 2.4 million from projects for which aid funds had already been approved; and $US 454,000 from approved loans. External financing was being sought for $US 2.7 million.

37. In the weeks following Hurricane Hugo, the territorial Government received emergency assistance from its traditional donors, mainly the United Kingdom, Canada, the United States and the European Community, as well as from regional Governments and institutions. According to The Island Sun of 2 December 1989 the Caribbean Development Bank, in addition to providing a credit line of $US 2.2 million for housing, had pledged loan funds of $US 3.7 million for road reconstruction. The European Community had agreed to assist in the restoration of public utilities. The United States Agency for International Development (USAID) had provided assistance in emergency housing and the Canadian International Development Agency (CIDA) had offered to assist the Government in its rehabilitation programme.

38. In the aftermath of Hurricane Hugo, the United Kingdom which continued to be the main source of development assistance, provided emergency and other assistance to the Territory and dispatched a team from BDD to assess the damage. The

Under-Secretary of State for Foreign and Commonwealth Affairs, who visited the Territory in November 1989 on a familiarization tour and to have a first-hand look at the damage, stated during the visit that the United Kingdom would provide additional aid to the Territory, but was awaiting the report of the BDD survey team. 13/

C. Land, development and construction

39. In January 1988, the territorial Government reported that of the 15,280 hectares of land in the Territory, 7,084 hectares, or 46 per cent, were owned by nationals and 2,214 hectares, or 15 per cent, by expatriates. The balance of 5,819 hectares was Crown land. In recent years, local groups and individuals have expressed their growing concern over the sale to, and development of, land by foreigners and, in particular, the matter of the access by local people to the Territory's beaches. These concerns are being addressed by the territorial Government.

40. During the period under review, the Government continued to pursue a vigorous land development policy of controlling the Territory's natural resources. The policy included the Government's review of development legislation and the preparation of a physical development plan and land management programmes. It was reported in March 1989 that two experts, recruited by the United Nations Development Programme (UNDP) had visited the Territory to review the Territory's land development policy, to ascertain the views of the local business representatives concerned and to make proposals and recommendations to the Government. In a press interview, during their visit, they pointed out that development in the Territory had reached the point where planning was necessary. They noted, however, that unlike some other island countries that had experienced problems because of unplanned development, the British Virgin Islands still had the opportunity to conserve and develop. 14/

41. Other major developments reported include the announcement in February 1989 of a new policy designed to curtail land speculation through the imposition of a five-year restriction on the resale of alien land-holdings; 15/ the adoption by the Legislative Council in September 1989 of a motion to ensure free access to, and use of, all the Territory's beaches; and the enactment in December 1989, of the Coast Conservation Bill, 1989, which empowered the territorial Government to issue guidelines to developers on the conservation, management and development of coastal lands and waters. The Bill also imposed restrictions on sand mining. 16/

42. As in the previous three years, the construction industry maintained its position as a leading contributor to the Territory's gross domestic product, during the period under review, and continued to be a principal beneficiary of commercial bank credit, accounting for over 20 per cent of total credit. In 1988, an estimated 250 construction projects were reported, mainly in tourism and related residential accommodation. In the past, the demand for expansion in commercial construction and private accommodation was usually generated by expatriates and was mainly related to offshore business. The present situation indicates, however that extensive construction activities will be undertaken in the Territory in both

commercial and residential areas, in an effort to restore the hotels, housing facilities and basic infrastructure severely damaged by Hurricane Hugo. The construction industry will become even more active during this period of rehabilitation and recovery.

D. Agriculture, livestock and fisheries

43. The limited growth rate experienced by the agricultural sector in 1987 was not sustained in 1988. The decline was caused by a number of factors including unfavourable conditions and competition from cheaper imported food supplies. The fishing industry, although hampered by continued poaching through sophisticated trawlers from outside the region did experience growth as hotels utilized the larger catch. The fishing complex, established with assistance from UNDP continued to buy most of its supplies from fishermen from the Eastern Caribbean, as local fishermen disposed of the majority of their catches in the neighbouring islands, particularly the United States Virgin Islands. This tendency to use external markets reflected the higher prices that fish attract in those markets. In a related development, the captain of a foreign fishing vessel was fined $US 10,000 in early May 1989 for illegally fishing in the Territory's waters and his catch of 11,794 kilograms of tuna, swordfish and dolphin was forfeited. 17/

44. The agricultural sector suffered significant damage as a result of Hurricane Hugo. Preliminary estimates set losses by over 300 territorial farmers in crop and livestock at $US 1.2 million. In the fishing industry, 75 per cent of fish traps were destroyed, 20 fishing boats were damaged and 8 destroyed, resulting in a loss of over $US 400,000. 18/ While visiting the Territory in October 1989, a Fisheries Development Officer of OECS noted that while the fishing industry stood the chance of quick recovery from the effects of the hurricane, the agricultural sector, which depended on new crops, needed a disaster plan to provide protective food security for the affected population. 19/

45. Other problems facing the agricultural sector include increasing complaints by small farmers about loss of sheep and goats to dog attacks, 20/ and certain difficulties being experienced by the Territory and the United States Virgin Islands over the failure of the Territory's farmers to respond to a questionnaire of the United States Department of Agriculture which is aimed at allowing the Territory to export its surplus meat to the United States Virgin Islands. 21/

E. Industrial development and mining

46. The main manufacturing activity in the Territory continues to be rum processing and the the servicing of fishing and charter-boats. The Virgin Islands Industrial Development Limited (VINDEL) was established by the Government to manage the Territory's industrial development programme and to promote cottage industries, foster local entrepreneurship, expand employment opportunities and establish a marketing outlet for locally and regionally produced goods.

47. According to the Caribbean Development Bank, the manufacturing sector remained quite small and produced a limited range of goods, including furniture and

fixtures, essentially for domestic consumption. During the year, efforts were made to expand the sector through assistance from Puerto Rico and the Eastern Caribbean Investment Promotion Service project (see also A/AC.109/983, para. 50). Puerto Rico and the British Virgin Islands were looking into the twin-plant concept to access the United States market under the United States 936 Legislation. That programme made provision for the establishment of manufacturing plants in Puerto Rico and in another country. To expedite efforts, a Trade and Investment Division was established within the Office of the Chief Minister. It was subsequently reported that the Chief Minister and the Governor of the Territory, visited Puerto Rico in June and November 1989, respectively, for discussions with the Governor of Puerto Rico.

48. Deposits of copper and molybdenum are present on Virgin Gorda and exploration licences have been issued to a consortium of Canadian and Australian companies. Since January 1988, however no developments have been reported concerning this activity (see A/AC.109/983, para. 51). The uncontrolled mining of sand for use in the construction industry continues to be a problem for the territorial Government. In December 1989, the Legislative Council established penalties consisting of fines of up to $US 20,000 and/or imprisonment for up to twelve months for repeated offences of unauthorized sand mining. Under the terms of the Coast Conservation Act, 1989, the Ministry of Natural Resources may restrict sand mining to the extent where it will not cause significant environmental damage. 16/

F. Communications and other basic facilities

49. The Territory's three-year capital development programme (1989-1991) of approximately $US 20 million, designed to build and maintain the infrastructure necessary for the Territory's economic development, job creation and the effective provision of services, has been outlined in the previous working paper (A/AC.109/983, paras. 52-57).

50. In its report on the Territory, the Caribbean Development Bank highlighted the substantial progress that had been made in the implementation of the public sector investment programme. CDB noted, however, that as a result of difficulties between the territorial Government and external donors over tendering procedures for a major electricity project on the one hand, and the slow inflow of grant funds to support a number of small projects on the other, a short-fall of capital could not be filled by the territorial Government.

51. In the same report, the Bank noted that the donor-related problem appeared to have been settled by the end of 1988, and that full project implementation was expected in 1989. The Bank noted also that the Territory would broaden the base of its external financial support to include more bilateral and commercial donors. The Bank stressed that the successful implementation of three large projects, namely, the power project, the port project and the government administration building, had contributed significantly to the sustained buoyancy of the economy.

52. As stated above (see para. 3), substantial damage to the Territory's infrastructure, estimated at over $US 46.5 million, was inflicted by Hurricane Hugo with roads and sea-defence walls bearing the brunt of the damage. According to

reports, external assistance was being sought by the territorial Government for major road rehabilitation, conservation, forestry, environment, housing and social assistance and for schools and equipment. Assistance from traditional and other donors is reported above (see paras. 37 and 38).

53. It was reported in January 1990 that towards the latter part of 1989, the territorial Government had signed two loan agreements totalling $US 4.4 million with the European Investment Bank. One loan amounted to $US 3.3 million and was to be used for a major port improvement project, for which CDB was also lending $US 7.1 million and the Territory was providing $US 3.7 million from its own resources. The other loan amounted to $US 1.1 million and was to increase the capital base of the Development Bank of the Virgin Islands.

54. It was also reported that the British Virgin Islands Electricity Corporation made a profit of $US 2.2 million in 1988, compared with $US 0.9 million in 1987. The number of consumers increased from 5,515 to 6,061 and sales were up by 3.7 million units, or by 10.9 per cent.

G. International business

55. According to the Caribbean Development Bank, concerted efforts in 1987 to increase the role of the financial services sector, together with the political situation in Panama, had led to a record number of international business and financial companies registering in the Territory, making it a major offshore centre in the region. The Bank noted, however, that the sector's performance had been hampered by a lack of trained manpower and, despite amendments, by serious weaknesses in existing legislation. CDB also noted that the strong performance of the sector, stimulated activity in the construction industry and in government revenue.

56. In its latest report on the Territory, which covered the year 1987, the administering Power stated that the operation of banks and other financial institutions located in the Territory were regulated under the Banking Act of 1972. It noted that at the end of 1987, five overseas commercial banks (Barclays Bank PLC, Craigmuir Trust Company Limited, Chase Manhattan Bank, First Pennsylvania Bank N.A., and the Bank of Novia Scotia) held general operating licences and a further seven offshore banks held restricted banking licences.

57. CDB reported that in 1988, domestic deposits had increased and, as a result, total deposits rose by 12.2 per cent to $US 239.9 million between June 1987 and June 1988. During the same period, loans and advances rose by 30.7 per cent to $US 94.8 million and the ratio of domestic credit to deposit rose from 34.3 per cent to 39.5 per cent. The main beneficiaries of the expansion were the consumers and the real estate and construction sectors.

58. According to The Beacon of 7 December 1989, the Manager of the Hong Kong Bank International Trustee Limited, who had been in the Territory for several months in connection with plans to relocate the bank's Caribbean headquarters in the Territory, had left the Islands to go to Jersey, Channel Islands. No announcement

was made by the Bank representative or the territorial Government regarding his departure.

59. On 16 November 1989, the Legislative Council adopted the Business, Professions and Trade Licences Act. In a radio broadcast on 28 November 1989, the Chief Minister responded to opposition to the Act by political and business groups, by noting that since the enactment of the Trades Licence Ordinance in 1963, the Territory had undergone vast changes in the structure, development and ownership patterns of its economy. He stressed that the main purposes of the new Act was to provide a greater degree of protection for nationals in business as well as to provide the necessary scope for regulating businesses in the Territory. Under the terms of the Act, nationals are exempted from licensing requirements in the production of agricultural and marine products. Fees for other local entrepreneurs range from $US 25 to $US 200 and fees for foreign businessmen range from $US 300 to $US 600. Provision is made for the appointment of a trade inspector to ensure that business-owners comply with the terms of the Act, which also provides for the imposition of penalties on owners who allow their premises to be used for the sale of illegal drugs. 22/

H. Tourism and related activities

60. Although the financial services sector was rapidly gaining ground, economic expansion in the Territory continued to depend on tourism which, however, suffered significant damage as a result of Hurricane Hugo. Visitor arrivals in 1988 totalled 240,331, or 8 per cent above the 1987 figure. Stop-over arrivals accounted for 61.9 per cent or 174,001 visitors, while day-trippers and cruise-ship passengers totalled 29,487 and 36,843, respectively. A slacking-off in the rate of growth of all categories of visitors occurred simultaneously with an expansion in hotel capacity (910 to 993 rooms) and a reduction in the fleet of yachts operating in the Territory (329 to an estimated 300). Despite the decline in the number of yachts, however, sea-based tourism remained dominant. Scuba-diving is a growing activity in the Territory.

61. In response to the decline in tourist arrivals, the Tourist Board and private operators increased their marketing thrust in several cities in North America and Europe during 1989. The Territory was represented at the Tenth International Fair of Tourism Publishing held in Yugoslavia in April 1989, the 13th Annual Caribbean Tourist Conference and the 11th Council of Tourism Ministers, both held in the Bahamas in September 1989, and the Tenth Annual Caribbean Hotel Association Market Place held in Puerto Rico in January 1990.

I. Assistance from the specialized agencies and other organizations and institutions of the United Nations system

62. The United Nations Development Programme's country programme for the Territory for the period 1987-1991 remained the frame of reference for external technical co-operation inputs. Owing to the Territory's high per capita income, the sum of $US 370,000 was programmed over the above period. The emphasis of the country

programme is on physical-development planning, agricultural development and the expansion of tourism. 7/ In addition, the Territory will also participate in regional and multi-island programmes of UNDP.

63. In the aftermath of Hurricane Hugo, UNDP and the Caribbean-based Pan-Caribbean Disaster Preparedness Project Office, which is affiliated with UNDRO, provided emergency assistance to the Territory. Subsequently, UNDRO and FAO dispatched an assessment team to the Territory. Assistance from other United Nations sources is outlined below.

64. The United Nations Department of Technical Co-operation for Development provided an economist and statistician in June 1989 to advise the territorial government on development planning and project evaluation.

65. As part of its programme of assistance to the Territory, the United Nations Children's Fund (UNICEF) initiated a project on sewing, craft-making and management skills for young women, which was reported to be making good progress. The United Nations Conference on Trade and Development (UNCTAD) provided technical assistance and software to the Territory's Customs Department as part of a $US 2.5 million multilateral project for the Eastern Caribbean. Through its subregional office for the Caribbean, ECLAC provided the services of a statistician to assist the Territory in assessing the availability of jobs in the private sector. The United Nations Volunteer Programme provided the Territory with two volunteers in the area of town and country planning and in development planning, respectively.

66. Representatives of the Territory participated in training courses provided by the World Health Organization/Pan American Health Organization (WHO/PAHO). The courses were held in 1989 and covered the following: Environmental Health (July); Social Participation and Participatory Planning in Local Health Systems (November) and Mass Casualty Management (December).

67. The Territory's Deputy Postmaster attended the 20th Congress of the Universal Postal Union (UPU) held at Washington, D.C., from 13 November to 14 December 1989. The Territory was represented also at the Pre-Congress Meeting in Bermuda for all Commonwealth Postal Administrations. Earlier in the year, UPU held a training course on Postal Supervision in Barbados. It was attended by a representative of the Territory.

68. In May 1989, the International Monetary Fund (IMF) provided the services of an economist to provide technical assistance on balance-of-payments procedures. Also in May, the World Bank held an Aid Co-ordinating Meeting of the Caribbean Group for Co-operation in Economic Development, during which the public sector programme of the Territory was reviewed by donors and international financial institutions.

IV. SOCIAL CONDITIONS

A. Labour

69. The heavy demand for skilled labour continues to face both the public and the private sectors. Although the territorial Government has been reasonably successful in attracting more nationals to return to the public service, a large proportion of the public service consists of expatriates, often on fixed-term contracts, which has led to discontinuance of some projects. Training has become a priority in such areas as economics, statistics and management, as skilled manpower shortages continue. The same situation is reflected in the private sector and is severely felt particularly by the hotel industry. The territorial Government is intensifying its efforts within the school system to develop its human resources. The establishment of the British Virgin Islands Community College would greatly enhance these efforts (see para. 78).

B. Public health

70. No changes were reported in the administration and delivery of public health services in the Territory. A team of consultants, who were appointed by the British Development Division, visited the Territory in June 1989 to conduct a health sector review. Their study was one among many which were commissioned by the United Kingdom Overseas Development Administration to formulate policies for assistance to the British dependent Territories. The review followed an organization and management examination of the Health Department two years ago.

71. Two major annual international medical conferences (the Fourth Annual Plastic Surgery Workshop and the British Virgin Islands Medical Conference) scheduled to be held in the Territory in the early part of 1990 are expected to attract over 400 doctors from the Caribbean, Europe and North America. 7/ There are 20 medical practitioners, four dentists, two chiropractors and two chemists registered in the Territory. 8/

C. Crime prevention and drugs

72. The Royal Virgin Islands Police Force, in its annual report for 1988, stated that crime in the Territory had risen by 20 per cent during the year, following a 10.5 per cent reduction in 1987. Forgery and house and office burglaries had accounted for the highest increases. The then Police Commissioner, Ronald Thompson, noted, however, that about a dozen young men had been responsible for the majority of the offences, mainly to serve a drug habit. Although the number of drug-related offences, remained at 51, the figure for 1987, there was a noted increase both in the number of non-residents arrested and in the amount of drugs confiscated, reflecting the international nature of trafficking.

73. According to the Police Commissioner, the implementation of the joint training programmes initiated and funded by the United Kingdom, as well as the commissioning of the police launch St. Ursula, were significant factors in the increase of

arrests in 1988. He stressed, however, that the availability and the local manufacture of the cocaine derivative "crack" were a cause of growing concern in the Territory. 23/

74. Related developments reported during the period under review included the appointment of a new Police Commissioner (see para. 28); the establishment of a free drug rehabilitation programme; and the extension for an additional three months, effective 11 November 1989, of the Mutual Assistance Legal Treaty between the United States and the United Kingdom, on behalf on the British Virgin Islands, whereby United States authorities may request information from the Territory regarding narcotic trafficking cases. The Treaty, which is being ratified by the United States Congress, would allow participants to exchange information on suspected drug dealers, and on anyone being investigated for certain other offences. 24/

D. Status of women

75. The role of women in development was heightened as a result of a seminar held in the Territory in October 1988 (see A/AC.109/983, para. 72). In November 1989, UNICEF and the territorial Government jointly sponsored a sewing, craft and management project for young women in the Territory. In his opening remarks, the Minister of Health, Education and Welfare stated that the project could lead to self-sufficiency for the participants and would assist the Territory in its attempts to diversify its economy. The programme would enable young women to acquire income-generating skills and increase their earning power by providing clothes and handicrafts for the local market as well as for tourists. 25/

V. EDUCATIONAL CONDITIONS

76. Education in the Territory is compulsory for all children between 5 and 14 years of age and is free at government primary and secondary schools. An Education Advisory Committee advises the Minister of Education on matters relating to education and a Teaching Service Commission advises the Governor on the appointment, promotion and discipline of teachers.

77. For the 1987/88 school year, primary school enrolment totalled 2,463 (1,301 boys and 1,162 girls). Enrolment in secondary schools was 1,143 (519 boys and 624 girls). All high school students, with the exception of the 67 enrolled in the Literacy and Skills Programme, follow a curriculum which leads to the award of a local High School Leaving Certificate and also to the external examinations administered by the Caribbean Examinations Council (CXC). In June 1987, a total of 160 high school certificates were awarded and 141 CXC examination passes were gained by students.

78. A major development in education occurred on 14 January 1990 with the official opening of the British Virgin Islands Community College. Planning for the College started in 1987 with the appointment of a special committee to study the need for, and the interest in, a post-secondary institution. Following extensive interviews

throughout the subregion and public meetings in the Territory, the special committee recommended the establishment of a community college. In declaring the College open, the Chief Minister stressed the commitment of his Government to provide high-quality, low-cost and accessible education and training to meet the development needs of the society. 26/

Notes

1/ The information contained in this paper has been derived from published reports, including the Caribbean Development Bank Annual Report (1988), and from information for 1987 transmitted to the Secretary-General on 17 August 1989 by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

2/ Department of Information and Public Relations, News Release No. 240 R/89.

3/ The Island Sun (Tortola), 4 October 1989.

4/ Ibid., 11 March 1989.

5/ Ibid., 17 August 1989.

6/ A/C.4/44/SR.14, paras. 6-8.

7/ Department of Information and Public Relations, News Release No. 179 R/89.

8/ The Daily News (United States Virgin Islands), 10 November 1989.

9/ Department of Information and Public Relations, News Release No. 180 R/89.

10/ The Beacon (Tortola), 26 October 1989.

11/ The Island Sun (Tortola), 18 November 1989.

12/ Ibid., 28 October 1989.

13/ Ibid., 4 and 11 November 1989.

14/ The Beacon (Tortola), 30 March and 6 April 1989.

15/ Ibid., 16 February 1989.

16/ The Island Sun (Tortola), 16 September 1989.

17/ The Beacon (Tortola), 4 May 1989.

18/ The Island Sun (Tortola), 23 December 1989.

Notes (continued)

19/ Ibid., 21 October 1989.

20/ Department of Information and Public Relations, News Release No. 278 R/89.

21/ The Beacon (Tortola), 24 August 1989.

22/ The Island Sun (Tortola), 2 December 1989.

23/ The Beacon (Tortola), 15 June 1989.

24/ Ibid., 7 December 1989.

25/ The Island Sun (Tortola), 11 November 1989.

26/ Ibid., 13 January 1990.

UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1022
14 March 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

REGIONAL SEMINARS IN OBSERVANCE OF THE THIRTIETH ANNIVERSARY OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

Guidelines and rules of procedure

CONTENTS

	Paragraphs	Page
INTRODUCTION	1 - 5	2
I. PLACES AND DATES OF THE SEMINARS	6	3
II. PURPOSE OF THE SEMINARS	7 - 11	3
III. ORGANIZATION OF THE SEMINARS	12	4
Annex. Rules of procedure		5

INTRODUCTION

1. By paragraph 1 of its resolution 44/100 of 11 December 1989, the General Assembly approved the relevant chapter of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples and endorsed the programme of activities in observance of the thirtieth anniversary of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

2. The commemoration of the thirtieth anniversary of the Declaration would be an appropriate occasion to reflect on the problems of decolonization now that a major Territory, Namibia, has exercised its right to self-determination. The Special Committee is fully aware that the decolonization process is now at a crossroad and therefore it should undertake a thorough evaluation of the progress achieved during the past 30 years in the implementation of the Declaration, as well as of the role played by the United Nations and its system of organizations. On the basis of this review, a reassessment of the Committee's work, as well as its approach and methodology with regard to the implementation of its mandate should be undertaken, with a view to paving the way for the formulation of new and effective means to enhance the discharge of the responsibility of the Committee through the speedy decolonization of all Territories under its mandate, giving particular attention to the specific problems faced by the small Territories in the Pacific and Caribbean regions in the exercise of the right of their peoples to self-determination.

3. In compliance with resolution 43/47 of 22 November 1988 on the International Decade for the Eradication of Colonialism, the Special Committee will take specific measures to eliminate all remnants of colonialism by the end of the current decade, thus completing its mandate in accordance with the Declaration on the Granting of Independence to Colonial Countries and Peoples.

4. The proposed activities of the Special Committee during 1990 will provide an opportunity to evaluate and comment on the implementation of General Assembly resolution 35/118 of 11 December 1980 containing the Plan of Action for the Full Implementation of the Declaration, whereby the Assembly requested the Committee to continue to examine the full compliance of all States with the Declaration and with other relevant resolutions on the question of decolonization, taking into account the views expressed, orally or in writing, by the peoples of the colonial Territories as well as by representatives of non-governmental organizations and individuals with knowledge of conditions in those Territories.

5. In view of these considerations and bearing in mind General Assembly resolution 1654 (XVI) of 27 November 1961 whereby the Assembly authorized the Special Committee "to meet elsewhere than at United Nations Headquarters, whenever and wherever such meetings may be required for the effective discharge of its functions", and in compliance with the Assembly's request contained in its resolution 44/100, the Special Committee will organize two regional seminars in 1990 on the subject of decolonization.

I. PLACES AND DATES OF THE SEMINARS

6. The Regional Seminar for the Pacific Area will be held in Vanuatu from 9 to 11 May 1990. The Regional Seminar for the Caribbean Area will be held in Barbados from 19 to 21 June 1990.

II. PURPOSE OF THE SEMINARS

7. As it enters the new decade, the Special Committee will undoubtedly be facing new challenges. The independence of Namibia will allow the Committee to devote more of its time to the important question of the remaining Non-Self-Governing Territories under its consideration.

8. The Special Committee strongly believes that these Seminars will provide the basis for a comprehensive review of the specific problems of the remaining small Non-Self-Governing Territories. It further believes that contributions from participants will help it to chart a more effective course for its work with regard to the speedy implementation of the Declaration in those Territories.

9. The topics to be considered by the Seminars will attest to the priorities established by the Special Committee in its consideration of the remaining Territories and the problems faced by their peoples in choosing a future status in conformity with their wishes, based on the special needs and challenges posed by their geographical location and other specific conditions. In this connection, the Seminars will give pre-eminence to the views of the peoples of the Territories. They will also secure the participation of eminent personalities knowledgeable in the field of decolonization; of regional organizations and institutions concerned with the economic, social and cultural development of the areas concerned, including the Non-Self-Governing Territories; and, of selected non-governmental organizations with long and established experience in island Territories. Special emphasis would also be placed on the participation of specialized agencies of the United Nations system, with a view to formulating specific recommendations to enhance the social and economic development of those Territories.

10. The contributions of all participants will serve as a basis for the Seminar's conclusions and recommendations, which will assist the Special Committee in its future consideration of the remaining Territories.

11. In this connection, participants will be required to consider the submission of remarks and suggestions on the following topics as they pertain to colonial Territories in the list of the Committee:

(a) Self-determination: its application to small Territories, particularly to the case of small islands;

(b) Economic and social development in the small Territories and their impact on the exercise of the right of the peoples of those Territories to self-determination;

(c) Environmental problems affecting small islands;

(d) Protection of natural resources, particularly marine resources, for the benefit of the populations of small islands and Territories;

(e) Protection of land for island populations and dangers of foreign exploitation;

(f) Heightening of awareness of options concerning future political status;

(g) Colonialism and racial discrimination;

(h) Self-determination and regional integration of small islands;

(i) Foreign economic interests and/or activities in the small Territories, with particular concern for the views of the populations concerned;

(j) Consequences of the military use of small islands.

III. ORGANIZATION OF THE SEMINARS

12. The following provisions will govern the organization of the Seminars:

(a) The Seminars will be organized by the Special Committee in accordance with the rules of procedures contained in the annex to the present report;

(b) Each Seminar will be conducted by a delegation of the Special Committee consisting of the Chairman and five other members;

(c) The Seminars may be attended by the following:

(i) A representative of the Secretary-General;

(ii) The Chairman of the Special Committee against Apartheid;

(iii) Representatives of the host Governments;

(iv) Representatives of the administering Powers;

(v) Representatives of concerned specialized agencies and other organizations within the United Nations system;

(vi) Representatives of the Non-Self-Governing Territories in the regions concerned;

(vii) Eminent personalities in the field of decolonization;

(viii) Representatives of non-governmental organizations based in the region;

(ix) Journalists.

Annex

RULES OF PROCEDURE

Preamble

The Regional Seminars are being held under the terms of General Assembly resolution 44/100 of 11 December 1989. The organization of the Seminars and the conduct of their proceedings shall follow the general guidelines set out in the rules of procedure of the General Assembly. a/

Rule 1

Responsibility for conducting the Seminars

The Seminars shall be organized by the Special Committee and conducted by the Chairman of the Special Committee, as the Chairman, with the assistance of the Bureaux of the Seminars (see rule 2 (a) below).

Rule 2

Officers of the Seminars

(a) The Chairman shall appoint three Vice-Chairmen and a Rapporteur for each Seminar from among the participating members of the Special Committee. The Vice-Chairmen will be allocated specific responsibilities by the Chairman. These officers shall constitute the Bureaux of the Seminars.

(b) The Chairman shall declare the opening and closing of each meeting of the Seminars, direct its discussions, ensure observance of the present rules, accord the right to speak, put questions and announce decisions.

(c) If the Chairman is unable to be present at a meeting or any part thereof, one of the Vice-Chairmen shall preside over the meeting.

Rule 3

Agenda of the Seminars

The Regional Seminars shall focus on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with respect to the remaining Territories with which the Special Committee is concerned, issues relating to specific problems of small island Territories and the dissemination of information on decolonization (see also para. 11 of the above report).

Rule 4

Secretariat

(a) The secretariat of the Special Committee shall service the Seminars.

(b) The secretariat shall be responsible for all necessary arrangements regarding the organization of the Seminars.

Rule 5

Languages

(a) The working languages of the Seminar in Vanuatu shall be English and French.

(b) The working languages of the Seminar in Barbados shall be English and French.

(c) Statements made in either of the working languages shall be interpreted into the other working language.

(d) A person participating in the Seminar may make a statement in a language other than the working languages, on the condition that the text of such statement is made available in advance in one of the working languages.

Rule 6

Conduct of business

(a) Decisions shall, as a rule, be taken by consensus. Should a vote be required, only representatives of the Special Committee attending the Seminar shall be entitled to vote.

(b) Any procedural question with regard to the conduct of business of the Seminars not covered by the present rules shall be decided upon by the Chairman in consultation with the Bureaux of the Seminars.

Rule 7

Participation in the Seminars

Participation in the Seminars shall be restricted to the persons to whom formal invitations have been addressed by the Chairman of the Special Committee in accordance with the related decision of the General Assembly b/ and whose names appear on the official list of participants drawn up by the Chairman (see also para. 12 of the above report).

Rule 8

Debates and publicity concerning the Seminars

(a) The meetings of the Seminars shall be held in public unless the Chairman decides that exceptional circumstances require that the meeting be held in private.

(b) Statements on behalf of the Seminars to information media shall be made by the Chairman. The Department of Public Information of the Secretariat shall be responsible for dissemination of information on the Seminars, including the issuance of press releases covering Seminar meetings held in public.

(c) Participating non-governmental organizations shall be represented by the person so invited (see rule 7 above), who may make one general statement on issues within the purview of the Committee's mandate and pertaining to those Territories under its consideration during the course of the Seminars.

(d) The Chairman may limit the time to be allowed to each speaker.

(e) During the course of the discussion, the Chairman may announce the list of speakers and, with the consent of the Seminar, declare the list closed. When there are no speakers, the Chairman shall, with the consent of the Seminar, declare the debate closed.

Rule 9

Records

The Seminars shall have sound recordings of its proceedings, which shall be retained in the archives of the United Nations in accordance with established practice.

Rule 10

Report

The members of the Special Committee attending the Seminars shall adopt a report on each Seminar, the drafts of which shall be prepared by the Rapporteur of each Seminar. The Seminars shall entrust to the Chairman of the Special Committee the task of preparing the draft conclusions and recommendations of the Seminars on the basis of the information contained in the reports. The reports of the Seminars, as well as the draft conclusions and recommendations prepared by the Chairman, shall be submitted to the Special Committee for its consideration and subsequent submission to the appropriate body(ies).

Notes

a/ A/520/Rev.15.

b/ A/44/23 (Part I), chap. II, annex, para. 8.